E PLURIBUS UNUM
THE PRESIDENTS

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Washington Monument

THE WASHINGTON MONUMENT

AN APPRECIATION BY MR. GLENN BROWN

Architect; Author, "History of United States Capitol"

GRAY in the dawn, brilliant in the sunlight, black in the thunder-storm, pink in the afterglow, mysterious in the moonlight, vanishing in the mist, lost in the clouds, always majestic, stands the memorial to the Father of his Country.

Its phases forcibly remind us of the shifting and changing fortunes of our great chief. Standing alone, simple and dignified, it is as self-contained and practical as was his character in life. Enshrouded in the mists, shadowy, weird, vanishing from sight, a mere suggestion of an outline visible, it recalls the clouded reputation of Washington when surrounded by foes, false comrades, and encompassed by the fierce elements. Black in the thunderstorm, it brings to mind dark days and bridled passions. Apparently floating in the air when the base is obscured by the fog, it suggests his struggles without reasonable foundation or hope. Brilliantly illuminated at its base and the pinnacle lost in the clouds, it typifies great victories with the ultimate results in doubt. Piercing the shifting clouds as they float past, with the base and crown illuminated by the sunlight, it vividly recalls the force which enabled him to penetrate the darkest shadows. Reflecting the pink blush of the evening glow, it points to the brightness dawning as his life advanced. A column of light in the moon's rays, it is a beacon leading us, as did his life, to forget self in our country's service. Glorious in the sunshine, scintillating, brilliant against the clear blue sky, it forcibly reminds us of the great results springing from an unselfish life of duty.

The aluminum crest sparkles as a beautiful star; its rays are beams of light guiding us to patriotic efforts.

A factor in the artistic composition of the city, it is a charming end to many vistas. Viewed from the Capitol, the White House and the Mall, it stands imposing in its grandeur; from the river it rises pure and simple, with the green hills of Maryland as a noble exhedra, and from the heights, visible through the valley, it always produces a thrill of pleasure. In the sunlight and shadow, thunderstorm and mist, in the clouds and in the clear sky, against the golden sunrise and the red sunset, against the midday sky of blue, and the midnight sky scintillating with stars, against the bright white clouds and the dark gray clouds, moving with the wind, bowing to the warmth of the sun, receiving the lightning's stroke, ever changing, it is always stately, always beautiful.

The corner-stone of the Washington Monument was laid July 4, 1848, but soon the work languished and then stopped entirely. Work was resumed in 1876, and the monument was finally completed December 6, 1884. It is 555 feet high and 50 feet square at the base. The entire cost of the monument was $1,187,710.

A COMPILATION
OF THE
MESSAGES AND PAPERS
OF THE
PRESIDENTS

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Warren G. Harding

March 4, 1921—

Messages, Proclamations, Executive Orders, and Addresses to Congress and the People

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The Encyclopedic Index is not only an index to the other volumes, not only a key that unlocks the treasures of the entire publication, but it is in itself an alphabetically arranged brief history or story of the great controlling events constituting the History of the United States.

Under its proper alphabetical classification the story is told of every great subject referred to by any of the Presidents in their official Messages, and at the end of each article the official utterances of the Presidents themselves are cited upon the subject, so that you may readily turn to the page in the body of the work itself for this original information.

Next to the possession of knowledge is the ability to turn at will to where knowledge is to be found.

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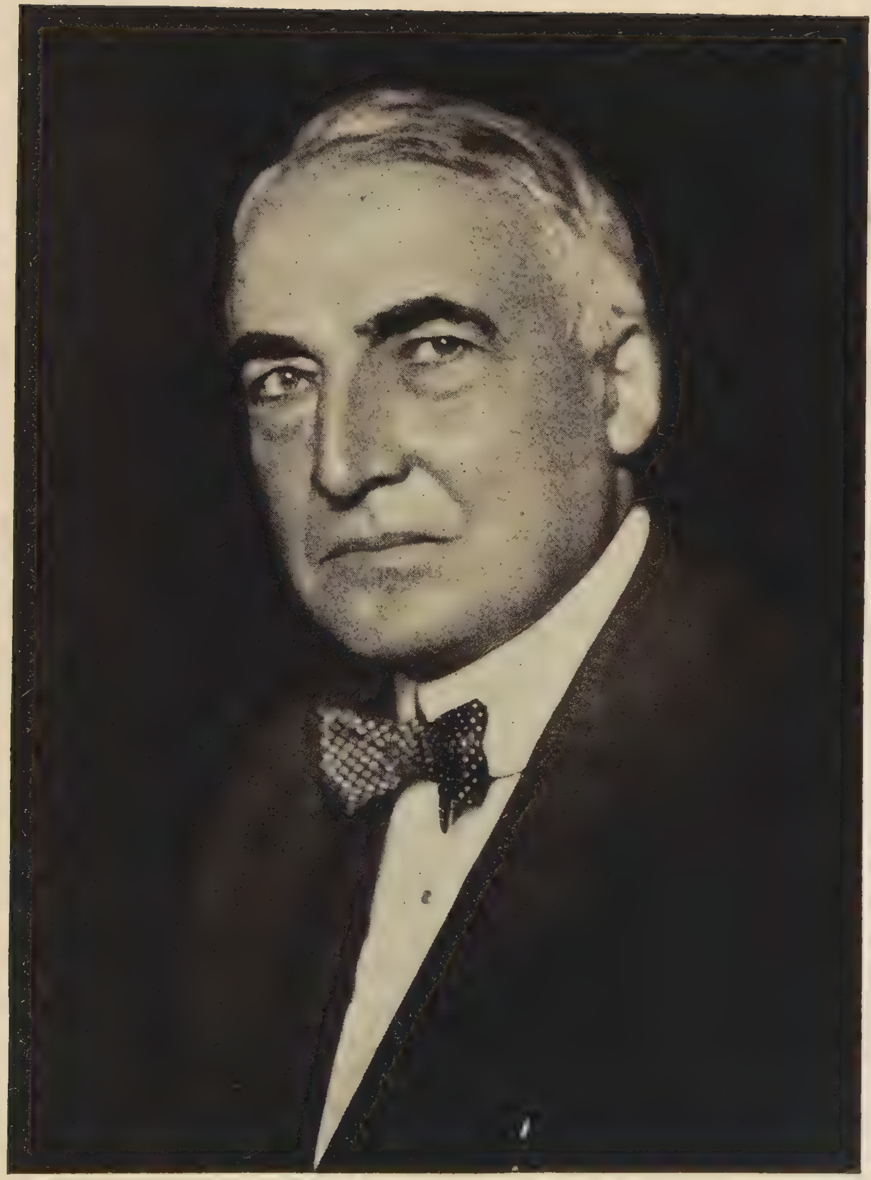
THE BOYHOOD HOME OF WARREN G. HARDING



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Warren G Harding

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FLORENCE KLING HARDING

FLORENCE KLING, born in 1860, was the daughter of Amos Kling, who became a banker and one of the leading merchants in Marion, Ohio, where she received her education. She was the constant companion of her father, not only in his avocations, but also in his vocation, for she took a keen interest in his business activities. Her desire to help the men of her family in their work was not dimmed by her training in music at the Cincinnati Conservatory of Music and abroad, nor by her later music-teaching; and when she married the owner of the struggling Marion *Star,* she insisted on taking some of the load of the early journalistic struggles from her husband's back. She went into the office of the *Star* as its circulation manager, held that position for many years, and thus was largely responsible for the paper's success. When prosperity came to the Hardings, Mrs. Harding continued her interest in music, but devoted herself more and more to the home, deciding that nothing would be of greater service to her husband's career than a home-life which would ever stimulate him to the highest efforts and achievements.

One of the brief poems that have touched the hearts of men is that wherein Leigh Hunt tells of the visit of an angel to earth, recording the names of "those who love the Lord."

"And is my name there?" "Nay, not so," replied the angel. "Then write me down," he was told, "as one who loves his fellow-men." The angel came again to show his list of those who love the Lord. "And lo!" the name of him who loved his fellow-men "led all the rest."

It will be hard to find a better picture than this of President Harding, the man we loved and mourn. He loved his fellow-men, and because they felt it and knew it, they loved and trusted him. His whole life, from the knee of that cherished mother who had an inspired faith in him, down to the day when a sorrowing world laid its tributes at his bier, was a continuing testimony to his devotion to them and to their faith in him.

Some will say that such a sweet and gentle nature could only have found its setting and its opportunity for service in a strange and peculiar time. Perhaps they are right. Yet he came to the world's stage in an hour when it seemed set for other characters. The captains and the kings, the armies and the navies, the men who would have war, and the men who would not have peace, had long dominated the scene. Where among them could place be made, could ear be found, for this kindly, gentle, gracious soul?

Yet he found his place. He caught the ear of a war-tired world. He called our country back to paths of peace, and gladly it came. He beckoned the nations to come and sit in council. He pointed them the way to peace. He set example of readiness to cast away the sword from the arm of might. He sought for men and nations a peace—the only true and lasting peace—based on justice and right. He stood first and firm for his own country, then for mankind. His sincerity and frankness won to his side those who sensed the great truth of human brotherhood. So he led the way to the monumental accomplishments of the Washington Conference on Limitation of Armament.

The same simplicity and directness marked his program in domestic affairs. His was the steady, strong, inspiring hand of guidance and helpfulness. It was never the mailed fist of compulsion. He knew that the greatest need of the world was peace with industry and production. He asked for these, and with them for thrift and the will to make good the losses that had been inflicted in the years of strife. He called his countrymen to set an example of those homely virtues, and they did.

He gave without remorse of his own strength, down to the tragic end. He rose above misunderstandings and misrepresentations, but he was curiously incapable of hard feeling toward those who were unfair with him. In a time when the minds of many men were prone to seize upon hurried conclusions, he held back and dared to take his time and thought before deciding. He was free from the pride of opinion, but strong in the determination of conviction. He had that calm courage which could not be overpressed, but that was firm and final when decision had been reached.

He was criticized because his own country, under his leadership, did not move forward so fast as some wished. But when, worn out by the struggle he had so bravely borne, he laid down the burden, his critics saw clearly what his leadership had accomplished. They saw that it had been a leadership forward and upward, in an era when most other countries were moving backward and downward. They saw that prosperity smiled once more on a favored land. They saw that prosperity and material well-being were somehow strangely rare in other lands. So they came to realize what this modest, unassuming leadership had wrought for his country.

It was natural that such a character, passing from the stage of life, should leave the multitudes a sense of personal loss. Seldom indeed has any man's death left that feeling among so many. He was mourned abroad and at home. The conviction was felt everywhere that he was one of the men best fitted to serve a distracted world in a difficult period of its history.

But he was not permitted to finish his task. He broke and went down under its load. In the hour of sorrow for his loss, men and women were moved to a broader charity, a relaxation of partisan excesses, a determination to be fair and moderate and reasonable. His life became, in the tragic sorrow of its end, a lesson in the value of simple and modest ways.

We mourn him today, and we shall mourn him so long as remembrance holds before us the picture of his patience, forbearance, faith and Christian tolerance. Those are rare virtues, too seldom found among the men who have the strength to rise to high places. They are the virtues that men need to seek and cultivate in these years of stress in the world. They point the way to salvation for men, for nations, for humanity itself.

We may well hope that his example to his own countrymen and to the world may help greatly to bring a spirit of charity, accord and true fraternity, whereby shall be lighted the lamp of understanding to show our feet into the paths of peace on earth, good will toward men. We may well consider by what means we can show our appreciation and by what method we can best enshrine his memory.

[*The above appreciation of President Harding was broadcasted over the radio by President Coolidge on December 10, 1923.*]

WARREN G. HARDING

The twenty-ninth President of the United States was born in Blooming Grove, or Corsica, Morrow County, Ohio, on November 2, 1865. On his father's side, he was descended from Scotch ancestors who had settled in Pennsylvania in colonial days, migrating to Ohio by means of ox-carts around 1820. On the side of his mother, Phoebe Elizabeth Dickerson Harding, who died in 1910, he inherited a Dutch strain. His father, George Tyron Harding, who was still living when his son entered the White House, was a country doctor.

Warren, who was the oldest child, spent most of his boyhood on the farm which his father worked, in addition to his medical practice. When he was six, the family moved to Caledonia, a neighboring town of less than one thousand inhabitants, where the boy later attended the village school. He performed odd jobs when the opportunity presented, including work in a sawmill and on railroad construction. From 1879 to 1882, he attended the Ohio Central College at Iberia. This institution was little more than a high school or academy, and did not long survive the graduation of its most distinguished alumnus with the degree of bachelor of science. Warren Harding worked his way through college, doing whatever work presented itself, and getting valuable journalistic experience as editor of the college paper. Before graduation, he had learned also the art of practical printing, both hand composition and machine operating.

After trying his hand at various tasks, including insurance and reading law, young Harding became a reporter and handy man on the *Mirror,* published in Marion, Ohio. In 1884, he bought the moribund *Star,* of the same city, which his hard work and perspicacity soon made successful, and provided a permanent means of livelihood. Marion grew rapidly in size, and the owner and editor of the Marion *Star* identified himself with many of the business interests of the town. He became a member in good standing of the Baptist Church. On July 8, 1891, he married Florence Kling, daughter of a business man of Marion.

The newspaper owner soon took an active part in politics. As a youth, he had been a supporter of Blaine, and later became a lieutenant of Senator Foraker. He was regularly a delegate to the Republican State Convention of Ohio, and from 1899 to 1903 he sat in the state legislature as Senator from the Thirteenth Ohio Senatorial District. His services to his party were rewarded by nomination for lieutenant governor of the state, to which office he was elected, serving from 1904 to 1906. He was the Republican candidate for governor of Ohio in 1910, but was defeated. Harding was always a regular organization man, of conservative tendencies, and he supported President Taft for re-election in 1912, against the Progressive Party of ex-President Roosevelt.

In 1914, Harding was elected to the United States Senate for the six-year term beginning in 1915. He initiated no outstanding legislation, but became quietly influential behind the scenes. He was made chairman of the Senate Committee on the Philippine Islands, and a member of the Foreign Relations Committee, which became all-important in the fight for the ratification of the Peace Treaty of Versailles, including the covenant of the League of Nations, after the close of the World War. Senator Harding, who had been an ardent supporter of the war efforts of the United States against Germany and Austria-Hungary, voted for the ratification of the treaty with the reservations added by the Republican majority in the Senate.

In the Republican National Convention of 1916, Senator Harding had delivered the "keynote address," and he became a candidate for the Republican Presidential nomination in 1920. He was one of the least frequently-mentioned candidates, receiving only 65½ votes of a total of 984 on the first ballot and only 78 votes on the fifth ballot at the convention in Chicago in June, 1920. But due largely to a deadlock between the leading candidates, and to what were considered serious disqualifications of each of them, Senator Harding became the compromise candidate and was nominated on the tenth ballot. In the following November, he was elected President by the overwhelming majority of about 7,000,000 popular and 277 electoral votes over his Democratic opponent, Governor James M. Cox, of Ohio. He assumed the Presidency on March 4, 1921.

President Harding died in San Francisco, California, on August 2, 1923, from a stroke of apoplexy following an attack of ptomaine poisoning. He was returning from Alaska, whither he had gone after a speaking tour through the Middle West and West in behalf of his policies. Funeral services were held over his body in the rotunda of the Capitol at Washington on August 9, and on the following day he was buried in Marion, Ohio.

INAUGURAL ADDRESS

My Countrymen: When one surveys the world about him after the great storm, noting the marks of destruction and yet rejoicing in the ruggedness of the things which withstood it, if he is an American he breathes the clarified atmosphere with a strange mingling of regret and new hope. We have seen a world passion spend its fury, but we contemplate our Republic unshaken, and hold our civilization secure. Liberty—liberty within the law—and civilization are inseparable, and though both were threatened we find them now secure; and there comes to Americans the profound assurance that our representative government is the highest expression and surest guaranty of both.

Standing in this presence, mindful of the solemnity of this occasion, feeling the emotions which no one may know until he senses the great weight of responsibility for himself, I must utter my belief in the divine inspiration of the founding fathers. Surely there must have been God's intent in the making of this new-world Republic. Ours is an organic law which had but one ambiguity, and we saw that effaced in a baptism of sacrifice and blood, with union maintained, the Nation supreme, and its concord inspiring. We have seen the world rivet its hopeful gaze on the great truths on which the founders wrought. We have seen civil, human, and religious liberty verified and glorified. In the beginning the Old World scoffed at our experiment; today our foundations of political and social belief stand unshaken, a precious inheritance to ourselves, an inspiring example of freedom and civilization to all mankind. Let us express renewed and strengthened devotion, in grateful reverence for the immortal beginning, and utter our confidence in the supreme fulfillment.

The recorded progress of our Republic, materially and spiritually, in itself proves the wisdom of the inherited policy of non-involvement in Old World affairs. Confident of our ability to work out our own destiny, and jealously guarding our right to do so, we seek no part in directing the destinies of the Old World. We do not mean to be entangled. We will accept no responsibility except as our own conscience and judgment, in each instance, may determine.

Our eyes never will be blind to a developing menace, our ears never deaf to the call of civilization. We recognize the new order in the world, with the closer contacts which progress has wrought. We sense the call of the human heart for fellowship, fraternity, and cooperation. We crave friendship and harbor no hate. But America, our America, the America builded on the foundation laid by the inspired fathers, can be a party to no permanent military alliance. It can enter into no political commitments, nor assume any economic obligations which will subject our decisions to any other than our own authority.

I am sure our own people will not misunderstand, nor will the world misconstrue. We have no thought to impede the paths to closer relationship. We wish to promote understanding. We want to do our part in making offensive warfare so hateful that Governments and peoples who resort to it must prove the righteousness of their cause or stand as outlaws before the bar of civilization.

We are ready to associate ourselves with the nations of the world, great and small, for conference, for counsel; to seek the expressed views of world opinion; to recommend a way to approximate disarmament and relieve the crushing burdens of military and naval establishments. We elect to participate in suggesting plans for mediation, conciliation, and arbitration, and would gladly join in that expressed conscience of progress, which seeks to clarify and write the laws of international relationship, and establish a world court for the disposition of such justiciable questions as nations are agreed to submit thereto. In expressing aspirations, in seeking practical plans, in translating humanity's new concept of righteousness and justice and its hatred of war into recommended action we are ready most heartily to unite, but every commitment must be made in the exercise of our national sovereignty. Since freedom impelled, and independence inspired, and nationality exalted, a world supergovernment is contrary to everything we cherish and can have no sanction by our Republic. This is not selfishness, it is sanctity. It is not aloofness, it is security. It is not suspicion of others, it is patriotic adherence to the things which made us what we are.

Today, better than ever before, we know the aspirations of humankind, and share them. We have come to a new realization of our place in the world and a new appraisal of our Nation by the world. The unselfishness of these United States is a thing proven; our devotion to peace for ourselves and for the world is well established; our concern for preserved civilization has had its impassioned and heroic expression. There was no American failure to resist the attempted reversion of civilization; there will be no failure today or tomorrow.

The success of our popular government rests wholly upon the correct interpretation of the deliberate, intelligent, dependable popular will of America. In a deliberate questioning of a suggested change of national policy, where internationality was to supersede nationality, we turned to a referendum, to the American people. There was ample discussion, and there is a public mandate in manifest understanding.

America is ready to encourage, eager to initiate, anxious to participate in any seemly program likely to lessen the probability of war, and promote that brotherhood of mankind which must be God's highest conception of human relationship. Because we cherish ideals of justice and peace, because we appraise international comity and helpful relationship no less highly than any people of the world, we aspire to a high place in the moral leadership of civilization, and we hold a maintained America, the proven Republic, the unshaken temple of representative democracy, to be not only an inspiration and example, but the highest agency of strengthening good will and promoting accord on both continents.

Mankind needs a world-wide benediction of understanding. It is needed among individuals, among peoples, among governments, and it will inaugurate an era of good feeling to mark the birth of a new order. In such understanding men will strive confidently for the promotion of their better relationships and nations will promote the comities so essential to peace.

We must understand that ties of trade bind nations in closest intimacy, and none may receive except as he gives. We have not strengthened ours in accordance with our resources or our genius, notably on our own continent, where a galaxy of Republics reflects the glory of new-world democracy, but in the new order of finance and trade we mean to promote enlarged activities and seek expanded confidence.

Perhaps we can make no more helpful contribution by example than prove a Republic's capacity to emerge from the wreckage of war. While the world's embittered travail did not leave us devastated lands nor desolated cities, left no gaping wounds, no breast with hate, it did involve us in the delirium of expenditure, in expanded currency and credits, in unbalanced industry, in unspeakable waste, and disturbed relationships. While it uncovered our portion of hateful selfishness at home, it also revealed the heart of America as sound and fearless, and beating in confidence unfailing.

Amid it all we have riveted the gaze of all civilization to the unselfishness and the righteousness of representative democracy, where our freedom never has made offensive warfare, never has sought territorial aggrandizement through force, never has turned to the arbitrament of arms until reason has been exhausted. When the Governments of the earth shall have established a freedom like our own and shall have sanctioned the pursuit of peace as we have practiced it, I believe the last sorrow and the final sacrifice of international warfare will have been written.

Let me speak to the maimed and wounded soldiers who are present today, and through them convey to their comrades the gratitude of the Republic for their sacrifices in its defense. A generous country will never forget the services you rendered, and you may hope for a policy under Government that will relieve any maimed successors from taking your places on another such occasion as this.

Our supreme task is the resumption of our onward, normal way.

Reconstruction, readjustment, restoration—all these must follow. I would like to hasten them. If it will lighten the spirit and add to the resolution with which we take up the task, let me repeat for our Nation, we shall give no people just cause to make war upon us; we hold no national prejudices; we entertain no spirit of revenge; we do not hate; we do not covet; we dream of no conquest, nor boast of armed prowess.

If, despite this attitude, war is again forced upon us, I earnestly hope a way may be found which will unify our individual and collective strength and consecrate all America, materially and spiritually, body and soul, to national defense. I can vision the ideal republic, where every man and woman is called under the flag for assignment to duty for whatever service, military or civic, the individual is best fitted; where we may call to universal service every plant, agency, or facility, all in the sublime sacrifice for country, and not one penny of war profit shall inure to the benefit of private individual, corporation, or combination, but all above the normal shall flow into the defense chest of the Nation. There is something inherently wrong, something out of accord with the ideals of representative democracy, when one portion of our citizenship turns its activities to private gain amid defensive war while another is fighting, sacrificing, or dying for national preservation.

Out of such universal service will come a new unity of spirit and purpose, a new confidence and consecration, which would make our defense impregnable, our triumph assured. Then we should have little or no disorganization of our economic, industrial, and commercial systems at home, no staggering war debts, no swollen fortunes to flout the sacrifices of our soldiers, no excuse for sedition, no pitiable slackerism, no outrage of treason. Envy and jealousy would have no soil for their menacing development, and revolution would be without the passion which engenders it.

A regret for the mistakes of yesterday must not, however, blind us to the tasks of today. War never left such an aftermath. There has been staggering loss of life and measureless wastage of materials. Nations are still groping for return to stable ways. Discouraging indebtedness confronts us like all the war-torn nations, and these obligations must be provided for. No civilization can survive repudiation.

We can reduce the abnormal expenditures, and we will. We can strike at war taxation, and we must. We must face the grim necessity, with full knowledge that the task is to be solved, and we must proceed with a full realization that no statute enacted by man can repeal the inexorable laws of nature. Our most dangerous tendency is to expect too much of government, and at the same time do for it too little.

We contemplate the immediate task of putting our public household in order. We need a rigid and yet sane economy, combined with fiscal justice, and it must be attended by individual prudence and thrift, which are so essential to this trying hour and reassuring for the future.

The business world reflects the disturbance of war's reaction. Herein flows the lifeblood of material existence. The economic mechanism is intricate and its parts interdependent, and has suffered the shocks and jars incident to abnormal demands, credit inflations, and price upheavals. The normal balances have been impaired, the channels of distribution have been clogged, the relations of labor and management have been strained. We must seek the readjustment with care and courage. Our people must give and take. Prices must reflect the receding fever of war activities. Perhaps we never shall know the old levels of wages again, because war invariably readjusts compensations, and the necessaries of life will show their inseparable relationship, but we must strive for normalcy to reach stability. All the penalties will not be light, nor evenly distributed. There is no way of making them so. There is no instant step from disorder to order. We must face a condition of grim reality, charge off our losses and start afresh. It is the oldest lesson of civilization. I would like government to do all it can to mitigate; then, in understanding, in mutuality of interest, in concern for the common good, our tasks will be solved. No altered system will work a miracle. Any wild experiment will only add to the confusion. Our best assurance lies in efficient administration of our proven system.

The forward course of the business cycle is unmistakable. Peoples are turning from destruction to production. Industry has sensed the changed order and our own people are turning to resume their normal, onward way. The call is for productive America to go on. I know that Congress and the Administration will favor every wise Government policy to aid the resumption and encourage continued progress.

I speak for administrative efficiency, for lightened tax burdens, for sound commercial practices, for adequate credit facilities, for sympathetic concern for all agricultural problems, for the omission of unnecessary interference of Government with business, for an end to Government's experiment in business, and for more efficient business in Government administration. With all of this must attend a mindfulness of the human side of all activities, so that social, industrial, and economic justice will be squared with the purposes of a righteous people.

With the nation-wide induction of womanhood into our political life, we may count upon her intuitions, her refinements, her intelligence, and her influence to exalt the social order. We count upon her exercise of the full privileges and the performance of the duties of citizenship to speed the attainment of the highest state.

I wish for an America no less alert in guarding against dangers from within than it is watchful against enemies from without. Our fundamental law recognizes no class, no group, no section; there must be none in legislation or administration. The supreme inspiration is the common weal. Humanity hungers for international peace, and we crave it with all mankind. My most reverent prayer for America is for industrial peace, with its rewards, widely and generally distributed, amid the inspirations of equal opportunity. No one justly may deny the equality of opportunity which made us what we are. We have mistaken unpreparedness to embrace it to be a challenge of the reality, and due concern for making all citizens fit for participation will give added strength of citizenship and magnify our achievement.

If revolution insists upon overturning established order, let other peoples make the tragic experiment. There is no place for it in America. When World War threatened civilization we pledged our resources and our lives to its preservation, and when revolution threatens we unfurl the flag of law and order and renew our consecration. Ours is a constitutional freedom where the popular will is the law supreme and minorities are sacredly protected. Our revisions, reformations, and evolutions reflect a deliberate judgment and an orderly progress, and we mean to cure our ills, but never destroy or permit destruction by force.

I had rather submit our industrial controversies to the conference table in advance than to a settlement table after conflict and suffering. The earth is thirsting for the cup of good will, understanding is its fountain source. I would like to acclaim an era of good feeling amid dependable prosperity and all the blessings which attend.

It has been proved again and again that we cannot, while throwing our markets open to the world, maintain American standards of living and opportunity, and hold our industrial eminence in such unequal competition. There is a luring fallacy in the theory of banished barriers of trade, but preserved American standards require our higher production costs to be reflected in our tariffs on imports. Today, as never before, when peoples are seeking trade restoration and expansion, we must adjust our tariffs to the new order. We seek participation in the world's exchanges, because therein lies our way to widened influence and the triumphs of peace. We know full well we cannot sell where we do not buy, and we cannot sell successfully where we do not carry. Opportunity is calling not alone for the restoration, but for a new era in production, transportation and trade. We shall answer it best by meeting the demand of a surpassing home market, by promoting self-reliance in production, and by bidding enterprise, genius, and efficiency to carry our cargoes in American bottoms to the marts of the world.

We would not have an America living within and for herself alone, but we would have her self-reliant, independent, and ever nobler, stronger, and richer. Believing in our higher standards, reared through constitutional liberty and maintained opportunity, we invite the world to the same heights. But pride in things wrought is no reflex of a completed task. Common welfare is the goal of our national endeavor. Wealth is not inimical to welfare; it ought to be its friendliest agency. There never can be equality of rewards or possessions so long as the human plan contains varied talents and differing degrees of industry and thrift, but ours ought to be a country free from great blotches of distressed poverty. We ought to find a way to guard against the perils and penalties of unemployment. We want an America of homes, illumined with hope and happiness, where mothers, freed from the necessity for long hours of toil beyond their own doors, may preside as befits the hearthstone of American citizenship. We want the cradle of American childhood rocked under conditions so wholesome and so hopeful that no blight may touch it in its development, and we want to provide that no selfish interest, no material necessity, no lack of opportunity shall prevent the gaining of that education so essential to best citizenship.

There is no short cut to the making of these ideals into glad realities. The world has witnessed again and again the futility and the mischief of ill-considered remedies for social and economic disorders. But we are mindful today as never before of the friction of modern industrialism, and we must learn its causes and reduce its evil consequences by sober and tested methods. Where genius has made for great possibilities, justice and happiness must be reflected in a greater common welfare.

Service is the supreme commitment of life. I would rejoice to acclaim the era of the Golden Rule and crown it with the autocracy of service. I pledge an administration wherein all the agencies of Government are called to serve, and ever promote an understanding of Government purely as an expression of the popular will.

One cannot stand in this presence and be unmindful of the tremendous responsibility. The world upheaval has added heavily to our tasks. But with the realization comes the surge of high resolve, and there is reassurance in belief in the God-given destiny of our Republic. If I felt that there is to be sole responsibility in the Executive for the America of tomorrow I should shrink from the burden. But here are a hundred millions, with common concern and shared responsibility, answerable to God and country. The Republic summons them to their duty, and I invite co-operation.

I accept my part with single-mindedness of purpose and humility of spirit, and implore the favor and guidance of God in His Heaven. With these I am unafraid, and confidently face the future.

I have taken the solemn oath of office on that passage of Holy Writ wherein it is asked: "What doth the Lord require of thee but to do justly, and to love mercy, and to walk humbly with thy God?" This I plight to God and country.

NOTE TO THE SENATE

[Urging Ratification of the Pending Treaty with Colombia.]

THE WHITE HOUSE, *March 9, 1921.*

I very respectfully invite the attention of the Senate to the pending treaty which has been negotiated between the United States and the Republic of Colombia which is in the hands of your honorable body, with full information relating to its negotiation and its later modification and revision.

The early and favorable consideration of this treaty would be very helpful at the present time in promoting our friendly relationships. There have been many and long delays in dealing with this treaty until we have been made to seem unmindful, when in truth we have had no thought but to deal with this sister Republic in a most cordial consideration. I believe the revised treaty to be a fair expression of our just and friendly relationship with the Republic of Colombia, and I would rejoice to have our example in dealing with the Republic of Colombia to be made an assurance of that promptness and firmness and justice which shall invite added confidence in our Government and a new regard for our own Republic.

WARREN G. HARDING.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

PROCLAMATIONS

[Extra Session of Congress, 1921.]

Whereas public interests require that the Congress of the United States should be convened in extra session at twelve o'clock, noon, on the eleventh day of April, 1921, to receive such communication as may be made by the Executive;

Now, Therefore, I, Warren G. Harding, President of the United States of America, do hereby proclaim and declare that an extraordinary occasion requires the Congress of the United States to convene in extra session at the Capitol in the District of Columbia on the eleventh day of April, 1921, at twelve o'clock, noon, of which all persons who shall at that time be entitled to act as members thereof are hereby required to take notice.

Given under my hand and the seal of the United States in the District of Columbia the 22nd day of March in the year [SEAL.] of our Lord one thousand nine hundred and twenty-one, and of the Independence of the United States the one hundred and forty-fifth. WARREN G. HARDING

By the President:

CHARLES E. HUGHES, *Secretary of State.*

[Appointing James C. Davis Director General of Railroads.]

Whereas John Barton Payne has tendered his resignation as Director General of Railroads; and

Whereas such resignation has been accepted effective upon the qualification of his successor.

Now, Therefore, I, Warren G. Harding, President of the United States, under and by virtue of the power and authority so vested in me under the Transportation Act of 1920, the unrepealed provisions of the Federal Control Act of March 21, 1918, and the "Act making appropriations for the support of the Army for the fiscal year ending June 30, 1917, and for other purposes," approved August 29, 1916, and of all other powers me hereto enabling, do hereby appoint, effective at noon on the 28th day of March, 1921, James C. Davis, of Iowa, Director General of Railroads in the stead of the said John Barton Payne, and do hereby delegate to and continue and confirm in him all powers and authority heretofore granted to and now possessed by the said John Barton Payne as Director General of Railroads; and do hereby authorize and direct the said James C. Davis, or his successor in office, until otherwise provided by Proclamation of the President or by Act of Congress, either personally or through such divisions, agencies, or persons as he may authorize, to exercise and perform, as fully in all respects as the President is authorized to do, all and singular the powers and duties conferred or imposed upon me by the said unrepealed provisions of the Federal Control Act of March 21, 1918, and the said Transportation Act of February 28, 1920, except the designation of the Agent under Section 206 thereof.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done by the President in the District of Columbia this 26th day of March, in the year of our Lord, nineteen hundred and [SEAL.] twenty-one and of the Independence of the United States the one hundred and forty-fifth.

WARREN G. HARDING.

By the President:

CHARLES E. HUGHES, *Secretary of State.*

STATE DEPARTMENT NOTE TO SOVIET RUSSIA

[Rejecting the Bolshevist Government's Request for the Opening of Trade Relations.]

WASHINGTON, D. C., *March 25, 1921.*

The Government of the United States views with deep sympathy and grave concern the plight of the people of Russia and desires to aid by every appropriate means in promoting proper opportunities through which commerce can be established upon a sound basis. It is manifest to this Government that in existing circumstances there is no assurance for the development of trade, as the supplies which Russia might now be able to obtain would be wholly inadequate to meet her needs, and no lasting good can result so long as the present causes of progressive impoverishment continue to operate. It is only in the productivity of Russia that there is any hope for the Russian people, and it is idle to expect resumption of trade until the economic bases of production are securely established. Production is conditioned upon the safety of life, the recognition by firm guarantees of private property, the sanctity of contract and the rights of free labor.

If fundamental changes are contemplated, involving due regard for the protection of persons and property and the establishment of conditions essential to the maintenance of commerce, this Government will be glad to have convincing evidence of the consummation of such changes, and until this evidence is supplied this Government is unable to perceive that there is any proper basis for considering trade relations. HUGHES.

STATE DEPARTMENT LETTER

[Attitude Toward the Chinese Consortium Arrangement.]

*March 23, 1921.**

Messrs. J. P. Morgan and Company, for the American Group, 23 Wall Street, New York.

GENTLEMEN: I have received the letter of March 10, 1921, in which you request that I advise you whether the policy of the Department of State, in encouraging American interests in the assistance of China through the operations of the international Consortium, is in accord with my views and therefore receives my approval; and in which you state that the operations of the Consortium are in no way designed to interfere with the private initiative of our nationals or those of any other country, that it does not propose to undertake any mercantile, industrial or banking projects, but plans only to help China in the establishment of her great public utilities, such as the building of her railways, canals, et cetera, thereby assisting in stabilizing China economically and financially, and making that field a safer one for the initiative of our citizens in private enterprises in commerce, industry, et cetera.

In reply I am happy to advise you that the principle of this co-operative effort for the assistance of China has the approval of this Government, which is hopeful that the Consortium constituted for this purpose will be effective in assisting the Chinese people in their efforts towards a greater unity and stability, and in affording to individual enterprises of all nationalities equality of commercial and industrial opportunity and a wider field of activity in the economic development of China.

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*Made public March 30, 1921.

I am, Gentlemen,

Your obedient servant,
(Signed) CHARLES E. HUGHES.

THE CHINA CONSORTIUM AGREEMENT.

An Agreement made the fifteenth day of October, 1920, between

The Hongkong and Shanghai Banking Corporation, having its office at 9 Gracechurch Street in the City of London, (hereinafter called "the Hongkong Bank") of the first part,

The Banque De L'Indo Chine, having its office at 15bis Rue Laffitte, Paris, (hereinafter called "the French Bank") of the second part,

The Yokohama Specie Bank Limited, having its office at Yokohama in Japan, (hereinafter called "the Japanese Bank") of the third part, and

Messrs. J. P. Morgan & Co., Messrs. Kuhn, Loeb & Co., The National City Bank of New York, Chase National Bank, New York, The Guaranty Trust Company of New York, Messrs. Lee, Higginson & Co. of Boston and the Continental and Commercial Trust and Savings Bank of Chicago (hereinafter called "the American Managers") acting as to the United Kingdom by Messrs. Morgan, Grenfell & Co., of 22 Old Broad Street in the City of London and as to France by Messrs. Morgan Harjes & Co. of Paris of the fourth part.

Whereas, the Hongkong Bank, the French Bank, the Japanese Bank and the American Managers are acting for the purposes of this Agreement as the representatives of the British, French, Japanese and American Groups respectively,

And, whereas, the British, French, Japanese and American Groups were formed with the object of negotiating and carrying out Chinese loan business,

And whereas their respective governments have undertaken to give their complete support to their respective national groups the parties hereto in all operations undertaken pursuant to the agreement hereinafter contained and have further undertaken that in the event of competition in the obtaining of any specific loan contract the collective support of the diplomatic representatives in Peking of the four governments will be assured to the parties hereto for the purposes of obtaining such contract,

And whereas the said national groups are of the opinion that the interests of the Chinese people can in existing circumstances best be served by the co- perative action of the various banking groups representing the investment interests of their respective countries in procuring for the Chinese Government he capital necessary for a program of economic reconstruction and improved ommunications,

And whereas with these objects in view the respective national groups are repared to participate on equal terms in such undertakings as may be calcu- ated to assist China in the establishment of her great public utilities and to hese ends to welcome the co-operation of Chinese capital—

Now, it is hereby agreed by and between the parties hereto as follows:

1. Each group reserves to itself the right of increasing or reducing the umber of its own members but so that any member of a group dropping ut shall remain bound by the restrictive provisions hereof and any member f a group coming in shall become subject to the restrictive provisions hereof nd so that no group shall (without the consent of the others) be entitled to ubmit into its group a new member who is not of its nationality and domiciled its market. The admission of any new group shall be determined by the arties hereto subject to the approval of their respective governments.

2. This Agreement relates to existing and future loan agreements which volve the issue for subscription by the public of loans to the Chinese Gov- rnment or to Chinese Government Departments or to Provinces of China or companies or corporations owned or controlled by or on behalf of the hinese Government or any Chinese Provisional Government or to any party the transaction in question is guaranteed by the Chinese Government or hinese Provincial Government but does not relate to agreements for loans be floated in China. Existing agreements relating to industrial undertakings

upon which it can be shown that substantial progress has been made may be omitted from the scope of this Agreement.

3. The existing agreements and any future loan agreements to which this Agreement relates and any business arising out of such agreements respectively shall be dealt with by the said groups in accordance with the provisions of this Agreement.

4. This Agreement is made on the principle of complete equality in every respect between the parties hereto and each of the parties hereto shall take an equal share in all operations and sign all contracts and shall bear an equal share of all charges in connection with any business (except stamp duties and any charges of and in connection with the realization by the parties hereto in their respective markets of their shares in the operations) and the parties hereto shall conclude all contracts with equal rights and obligations as between themselves and each party shall have the same rights, privileges, prerogatives, advantages, responsibilities and obligations of every sort and kind. Accordingly, preliminary advances on account of or in connection with business to which this Agreement relates shall be borne by each of the parties hereto in equal shares and each of the parties hereto shall be entitled to participate equally in the existing agreements and will offer to the other parties hereto an equal participation with itself in any future loan business falling within the scope of this Agreement. Should one or more of the parties hereto decline a participation in the existing agreements or any of them or in any such future loan business as aforesaid, the party or parties accepting a participation therein shall be free to undertake the same but shall issue on its or their markets only.

5. All contracts shall so far as possible be made so as not to impose joint liability on the parties hereto but each of the parties hereto shall severally liquidate its own engagements or liabilities. The parties hereto will so far as possible come to an understanding with regard to the realization of the operations, but so that such realization in whatever manner this may take place shall be for the separate benefit of each of the parties hereto as regards their respective participation therein and so that each of the parties hereto shall be entitled to realize its participation in the operations only in its own market, it being understood that the issues in the respective markets are to be made at substantial parity.

6. Any one or more of the parties hereto who shall have accepted its or their participation in any business hereunder shall be entitled by notice in writing to call upon the other or others of the parties hereto who propose to issue their own respective participations to issue for the account of the party or parties giving such notice or notices either all or one-half of the amount which may constitute the participation of the party or parties giving such notice or notices and the party or parties so called upon shall issue the said amount or amounts (hereinafter called "the Residuary Participation") specified in such notice or notices upon and subject to the terms and conditions following, viz:

(1) Such notice or notices must be received by the other or others of the parties hereto before the execution of the final agreement for the issue of the loan or (in the case of an issue of a part only of the loan) of so much thereof as the parties hereto may from time to time agree to issue.

(2) The party or parties to whom such notice or notices shall have been given shall be entitled to decide among themselves and without reference to the party or parties giving such notice or notices as to which one or more of them shall issue the Residuary Participation but in default of any such decision they shall issue the same equally between them.

(3) In issuing the Residuary Participation no distinction shall be made between the Residuary Participation and the amount or amounts issued on its or their own account by the party or parties issuing the Residuary Participation which shall in all respects be subject to the conditions of the respective Syndicates which may be formed for the purpose of effecting the issue.

(4) Each of the parties issuing the Residuary Participation shall be entitled to decide for itself and without reference to the party or parties giving such notice or notices as to what expenses shall be incurred in relation to the issue of the total amount issued by such party.

(5) The party or parties issuing the Residuary Participation shall be entitled between them to charge the party or parties giving such notice or

notices with a commission of not exceeding 1½ per cent, on the nominal amount of the Residuary Participation and also with a pro-rata share of the total expenses which the issuing party or parties may in their sole discretion incur in relation to the whole issue and being in the proportion which the Residuary Participation bears to the total nominal amount of the issue.

(6) The party or parties issuing the Residuary Participation shall not by virtue of this Agreement incur any responsibility to subscribe for the Residuary Participation or to cause the same to be subscribed.

(7) Each party issuing the Residuary Participation shall apply all subscriptions received by it pro-rata between the Residuary Participation issued by it and the amount issued by such party on its own account.

(8) Each of the parties issuing the Residuary Participation will apply for and use its best endeavors to obtain a quotation on its market for the total amount issued by it.

(9) No issue of the Residuary Participation or any part thereof shall be made by the party or parties giving such notice or notices unless mutually agreed by the parties hereto.

7. No participation shall be given by any one of the parties hereto outside its own market. Any participation given in its own market by any one of the parties hereto shall be for its own account only or in the event of the issue including any of the Residuary Participation for the accounts pro-rata of the issuing Bank and the party or parties giving such notice or notices as aforesaid and in giving any such participation the party giving the same shall use its best endeavors to secure that no part of such participation shall be transferred to parties outside the market of the party giving the same. Any other participation shall be given only with the consent of all parties hereto and shall be borne in equal shares by the parties hereto.

8. This Agreement shall remain in force for the period of five years from the date hereof, provided nevertheless that a majority of the parties hereto may by twelve months' previous notice in writing addressed to the other parties hereto terminate this Agreement at any time.

In witness whereof the duly authorized representatives of the respective parties hereto have set their hands the day and year first above written.

For the Hongkong and Shanghai Banking Corporation
On behalf of the British Group: C. S. Addis.
For the Banque de L'Indo Chine
On behalf of the French Group: Th. de la Chaume.
For the Yokohama Specie Bank, Ltd.
On behalf of the Japanese Group: K. Takeuchi.
For and on behalf of the American Group:
J. P. Morgan & Co., Kuhn, Loeb & Co., The National City Bank of New York, by J. A. Stillman, President; The Guaranty Trust Company of New York, by J. R. Swan, Vice-President; Continental and Commercial Trust and Savings Bank of Chicago, by John Jay Abbott, Vice-President; Chase National Bank, New York City, by A. H. Wiggin, Chairman; Lee Higginson & Co.

STATE DEPARTMENT NOTE

[To Germany, Replying to German Foreign Minister's Informal Memorandum Regarding Reparation Payments Under the Treaty of Versailles.]

*March 29, 1921.**

The American Government is pleased to note in the informal memorandum of Dr. Simons the unequivocal expression on the part of the German Government of its desire to afford reparation up to the limit of German ability to pay. This Government stands with the Governments of the Allies in holding Germany responsible for the war and therefore morally bound to make reparation, so far as may be possible. The recognition of this obligation, implied in the memorandum of Dr. Simons, seems to the Government of the United States the only sound basis on which can be built a firm and just peace under which the various nations of Europe can achieve once more economic independence and stability. This Government believes that it recognizes in the memorandum of Dr. Simons a sincere desire on the part of the German Government to reopen negotiations with the Allies on a new basis and hopes that such negotiations, once resumed, may lead to a prompt settlement which will at the same time satisfy the just claims of the Allies and permit Germany hopefully to renew its productive activities. HUGHES.

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*Made public April 4, 1921.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION

[Forest Protection Week—1921.]

Whereas the destruction by forest fires in the United States involves an annual loss of approximately $20,000,000 and the devastation of approximately 12,500,000 acres of timberland and other natural resources, and

Whereas, the present deplorably large area of non-productive land is being greatly increased by 33,000 or more forest fires which occur each year, and

Whereas, the menace of a future timber shortage threatens to become a present economic fact seriously affecting our social and industrial welfare, and

Whereas, a large percentage of the forest fires causing the annual waste of natural resources may be prevented by increasing care and vigilance on the part of citizens:

Therefore, I, Warren G. Harding, President of the United States, do urge upon the governors of the various States to designate and set apart the week of May 22-28, 1921, as Forest Protection Week, and to request all citizens of their states to plan for that week such educational and instructive exercises as shall bring before the people the serious and unhappy effects of the present unnecessary waste by forest fires, and the need of their individual and collective efforts in conserving the natural resources of America.

In witness whereof, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

Done in the District of Columbia, this 7th day of April, in the year of our Lord one thousand nine hundred and twenty-one and of the Independence of the United States of America the one hundred and forty-fifth.

[SEAL.]

WARREN G. HARDING.

By the President:

CHARLES E. HUGHES, *Secretary of State.*

SPECIAL ADDRESS TO CONGRESS

[Delivered at a Joint Session of the Two Houses on April 12, 1921.]

Members of the Congress:

You have been called in extraordinary session to give your consideration to national problems far too pressing to be long neglected. We face our tasks of legislation and administration amid conditions as difficult as our government has ever contemplated. Under our political system the people of the United States have charged the new Congress and the new Administration with the solution—the readjustments, reconstruction, and restoration which must follow in the wake of war.

It may be regretted that we were so illy prepared for war's aftermath, so little made ready to return to the ways of peace, but we are not to be discouraged. Indeed, we must be the more firmly resolved to undertake our work with high hope, and invite every factor in our citizenship to join in the effort to find our normal, onward way again. The American people have appraised the situation, and with that tolerance and patience which go with understanding they will give to us the influence of deliberate public opinion which ultimately becomes the edict of any popular government. They are measuring some of the stern necessities, and will join in the give and take which is so essential to firm reestablishment.

First in mind must be the solution of our problems at home, even though some phases of them are inseparably linked with our foreign relations. The surest procedure in every government is to put its own house in order. I know of no more pressing problem at home than to restrict our national expenditures within the limits of our national income, and at the same time measurably lift the burdens of war taxation from the shoulders of the American people.

One can not be unmindful that economy is a much-employed cry most frequently stressed in preelection appeals, but it is ours to make it an outstanding and ever-impelling purpose in both legislation and administration. The unrestrained tendency to heedless expenditure and the attending growth of public indebtedness, extending from federal authority to that of state and municipality and including the smallest political subdivision, constitute the most dangerous phase of government today. The nation can not restrain except in its own activities, but it can be exemplar in a wholesome reversal.

The staggering load of war debt must be cared for in orderly funding and gradual liquidation. We shall hasten the solution and aid effectively in lifting the tax burdens if we strike resolutely at expenditure. It is far more easily said than done. In the fever of war our expenditures were so little questioned, the emergency was so impelling, appropriation was so unimpeded that we little noted millions and counted the Treasury inexhaustible. It will strengthen our resolution if we ever keep in mind that a continuation of such a course means inevitable disaster.

Our current expenditures are running at the rate of approximately five billions a year, and the burden is unbearable. There are two agencies to be employed in correction: One is rigid resistance in appropriation and the other is the utmost economy in administration. Let us have both. I have already charged department heads with this necessity. I am sure Congress will agree; and both Congress and the Administration may safely count on the support of all right-minded citizens, because the burden is theirs. The pressure for expenditure, swelling the flow in one locality while draining another, is sure to defeat the imposition of just burdens, and the effect of our citizenship protesting outlay will be wholesome and helpful. I wish it might find its reflex in economy and thrift among the people themselves, because therein lies quicker recovery and added security for the future.

The estimates of receipts and expenditures and the statements as to the condition of the Treasury which the Secretary of the Treasury is prepared to present to you will indicate what revenues must be provided in order to carry on the government's business and meet its current requirements and fixed-debt charges. Unless there are striking cuts in the important fields of expenditure, receipts from internal taxes can not safely be permitted to fall below $4,000,000,000 in the fiscal years 1922 and 1923. This would mean total internal tax collections of about one billion less than in 1920 and one-half billion less than in 1921.

The most substantial relief from the tax burden must come for the present from the readjustment of internal taxes, and the revision or repeal of those taxes which have become unproductive and are so artificial and burdensome as to defeat their own purpose. A prompt and thoroughgoing revision of the internal tax laws, made with due regard to the protection of the revenues, is, in my judgment, a requisite to the revival of business activity in this country. It is earnestly hoped, therefore, that the Congress will be able to enact without delay a revision of the revenue laws and such emergency tariff measures as are necessary to protect American trade and industry.

It is of less concern whether internal taxation or tariff revision shall come first than has been popularly imagined, because we must do both, but the practical course for earliest accomplishment will readily suggest itself to the Congress. We are committed to the repeal of the excess-profits tax and the abolition of inequities and unjustifiable exasperations in the present system. The country does not expect and will not approve a shifting of burdens. It is more interested in wiping out the necessity for imposing them and eliminating confusion and cost in the collection.

The urgency for an instant tariff enactment, emergency in character and understood by our people that it is for the emergency only, can not be too much emphasized. I believe in the protection of American industry, and it is our purpose to prosper America first. The privileges of the American market to the foreign producer are offered too cheaply today, and the effect on much of our own productivity is the destruction of our self-reliance, which is the foundation of the independence and good fortune of our people. Moreover, imports should pay their fair share of our cost of government.

One who values American prosperity and maintained American standards of wage and living can have no sympathy with the proposal that easy entry and the flood of imports will cheapen our cost of living. It is more likely to destroy our capacity to buy. Today American agriculture is menaced, and its products are down to prewar normals, yet we are endangering our fundamental industry through the high cost of transportation from farm to market and through the influx of foreign farm products, because we offer, essentially unprotected, the best market in the world. It would be better to err in protecting our basic food industry than paralyze our farm activities in the world struggle for restored exchanges.

The maturer revision of our tariff laws should be based on the policy of protection, resisting that selfishness which turns to greed, but ever concerned with that productivity at home which is the source of all abiding good fortune. It is agreed that we can not sell unless we buy, but ability to sell is based on home development and the fostering of home markets. There is little sentiment in the trade of the world. Trade can and ought to be honorable, but it knows no sympathy. While the delegates of the nations at war were debating peace terms at Paris, and while we later debated our part in completing the peace, commercial agents of other nations were opening their lines and establishing their outposts, with a forward look to the morrow's trade. It was wholly proper, and has been advantageous to them. Tardy as we are, it will be safer to hold our own markets secure, and build thereon for our trade with the world.

A very important matter is the establishment of the Government's business on a business basis. There was toleration of the easy-going, unsystematic method of handling our fiscal affairs, when indirect taxation held the public unmindful of the Federal burden. But there is knowledge of the high cost of government today, and high cost of living is inseparably linked with high cost of government. There can be no complete correction of the high living cost until government's cost is notably reduced. Let me most heartily commend the enactment of legislation providing for the national budget system. Congress has already recorded its belief in the budget. It will be a very great satisfaction to know of its early enactment, so that it may be employed in establishing the economies and business methods so essential to the minimum of expenditure.

I have said to the people we meant to have less of Government in business as well as more business in Government. It is well to have it understood that business has a right to pursue its normal, legitimate, and righteous way unimpeded, and it ought have no call to meet government competition where all risk is borne by the public Treasury. There is no challenge to honest and lawful business success. But government approval of fortunate, untrammeled business does not mean toleration of restraint of trade or of maintained prices by unnatural methods. It is well to have legitimate business understand that a just government, mindful of the interests of all the people, has a right to expect the co-operation of that legitimate business in stamping out the practices which add to unrest and inspire restrictive legislation. Anxious as we are to restore the onward flow of business, it is fair to combine assurance and warning in one utterance.

One condition in the business world may well receive your inquiry. Deflation has been in progress but has failed to reach the mark where it can be proclaimed to the great mass of consumers. Reduced cost of basic production has been recorded, but high cost of living has not yielded in like proportion. For example, the prices on grains and live stock have been deflated, but the cost of bread and meats is not adequately reflected therein. It is to be expected that non-perishable staples will be slow in yielding to lower prices, but the maintained retail costs in perishable foods can not be justified.

I have asked the Federal Trade Commission for a report of its observations, and it attributes, in the main, the failure to adjust consumers' cost to basic production costs to the exchange of information by "open-price associations," which operate, evidently, within the law, to the very great advantage of their members and equal disadvantage to the consuming public. Without the spirit of hostility or haste in accusation of profiteering, some suitable inquiry by Congress might speed the price readjustment to normal relationship, with helpfulness to both producer and consumer. A measuring rod of fair prices will satisfy the country and give us a business revival to end all depression and unemployment.

The great interest of both the producer and consumer—indeed, all our industrial and commercial life, from agriculture to finance—in the problems of transportation will find its reflex in your concern to aid reestablishment, to restore efficiency, and bring transportation cost into a helpful relationship rather than continue it as a hindrance to resumed activities.

It is little to be wondered that ill-considered legislation, the war strain, Government operation in heedlessness of cost, and the conflicting programs, or the lack of them, for restoration have brought about a most difficult situation, made doubly difficult by the low tide of business. All are so intimately related that no improvement will be permanent until the railways are operated efficiently at a cost within that which the traffic can bear.

If we can have it understood that Congress has no sanction for government ownership, that Congress does not levy taxes upon the people to cover deficits in a service which should be self-sustaining, there will be an avowed foundation on which to rebuild.

Freight-carrying charges have mounted higher and higher until commerce is halted and production discouraged. Railway rates and costs of operation must be reduced.

Congress may well investigate and let the public understand wherein our system and the federal regulations are lacking in helpfulness or hindering in restrictions. The remaining obstacles which are the heritage of capitalistic exploitation must be removed, and labor must join management in understanding that the public which pays is the public to be served, and simple justice is the right and will continue to be the right of all the people.

Transportation over the highways is little less important, but the problems relate to construction and development, and deserve your most earnest attention, because we are laying a foundation for a long time to come, and the creation is very difficult to visualize in its great possibilities. The highways are not only feeders to the railroads and afford relief from their local burdens, they are actually lines of motor traffic in interstate commerce. They are the smaller arteries of the larger portion of our commerce, and the motor car has become an indispensable instrument in our political, social, and industrial life. There is begun a new era in highway construction, the outlay for which runs far into hundreds of millions of dollars. Bond issues by road districts, counties, and States mount to enormous figures, and the country is facing such an outlay that it is vital that every effort shall be directed against wasted effort and unjustifiable expenditure. The federal government can place no inhibition on the expenditure in the several States; but, since Congress has embarked upon a policy of assisting the states in highway improvement, wisely, I believe, it can assert a wholly becoming influence in shaping policy.

With the principle of federal participation acceptably established, probably never to be abandoned, it is important to exert federal influence in developing comprehensive plans looking to the promotion of commerce, and apply our expenditures in the surest way to guarantee a public return for money expended.

Large federal outlay demands a federal voice in the program of expenditure. Congress can not justify a mere gift from the federal purse to the several states, to be prorated among counties for road betterment. Such a course will invite abuses which it were better to guard against in the beginning.

The laws governing federal aid should be amended and strengthened. The federal agency of administration should be elevated to the importance and vested with authority comparable to the work before it. And Congress ought to prescribe conditions to federal appropriations which will necessitate a consistent program of uniformity which will justify the federal outlay.

I know of nothing more shocking than the millions of public funds wasted in improving highways, wasted because there is no policy of maintenance. The neglect is not universal, but it is very near it. There is nothing the Congress can do more effectively to end this shocking waste than condition all federal aid on provisions for maintenance. Highways, no matter how generous the outlay for construction, can not be maintained without patrol and constant repair. Such conditions insisted upon in the grant of federal aid will safeguard the public which pays and guard the federal government against political abuses, which tend to defeat the very purposes for which we authorize federal expenditure.

Linked with rail and highway is the problem of water transportation —inland, coastwise, and transoceanic. It is not possible, on this occasion, to suggest to Congress the additional legislation needful to meet the aspirations of our people for a merchant marine. In the emergency of war we have constructed a tonnage equaling our largest expectations. Its war cost must be discounted to the actual values of peace, and the large difference charged to the war emergency, and the pressing task is to turn our assets in tonnage to an agency of commerce.

It is not necessary to say it to Congress, but I have thought this to be a befitting occasion to give notice that the United States means to establish and maintain a great merchant marine.

Our differences of opinion as to a policy of upbuilding have been removed by the outstanding fact of our having builded. If the intelligent and efficient administration under the existing laws makes established service impossible, the Executive will promptly report to you. Manifestly if our laws governing American activities on the seas are such as to give advantage to those who compete with us for the carrying of our own cargoes and those which should naturally come in American bottoms through trade exchanges, then the spirit of American fair play will assert itself to give American carriers their equality of opportunity. This republic can never realize its righteous aspirations in commerce, can never be worthy the traditions of the early days of the expanding republic until the millions of tons of shipping which we now possess are coordinated with our inland transportation and our shipping has government encouragement, not government operation, in carrying our cargoes under our flag, over regularly operated routes, to every market in the world agreeable to American exchanges. It will strengthen American genius and management to have it understood that ours is an abiding determination, because carrying is second only to production in establishing and maintaining the flow of commerce to which we rightfully aspire.

It is proper to invite your attention to the importance of the question of radio communication and cables. To meet strategic, commercial, and political needs, active encouragement should be given to the extension of American-owned and operated cable and radio services. Between the United States and its possessions there should be ample communication facilities providing direct services at reasonable rates. Between the United States and other countries not only should there be adequate facilities, but these should be, so far as practicable, direct and free from foreign intermediation. Friendly cooperation should be extended to international efforts aimed at encouraging improvement of international communication facilities and designed to further the exchange of messages. Private monopolies tending to prevent the development of needed facilities should be prohibited. Government-owned facilities, wherever possible without unduly interfering with private enterprise or government needs, should be made available for general uses. Particularly desirable is the provision of ample cable and radio services at reasonable rates for the transmission of press matter, so that the American reader may receive a wide range of news, and the foreign reader receive full accounts of American activities. The daily press of all countries may well be put in position to contribute to international understandings by the publication of interesting foreign news.

Practical experience demonstrates the need for effective regulation of both domestic and international radio operation if this newer means of intercommunication is to be fully utilized. Especially needful is the provision of ample radio facilities for those services where radio only can be used, such as communication with ships at sea, with aircraft, and with out-of-the-way places. International communication by cable and radio requires co-operation between the powers concerned. Whatever the degree of control deemed advisable within the United States, government licensing of cable landings and of radio stations transmitting and receiving international traffic seems necessary for the protection of American interests and for the security of satisfactory reciprocal privileges.

Aviation is inseparable from either the army or the navy, and the Government must, in the interests of national defense, encourage its development for military and civil purposes. The encouragement of the civil development of aeronautics is especially desirable as relieving the government largely of the expense of development, and of maintenance of an industry, now almost entirely borne by the government through appropriations for the military, naval, and postal air services. The Air Mail Service is an important initial step in the direction of commercial aviation.

It has become a pressing duty of the federal government to provide for the regulation of air navigation; otherwise independent and conflicting legislation will be enacted by the various states which will hamper the development of aviation. The National Advisory Committee for Aeronautics, in a special report on this subject, has recommended the establishment of a Bureau of Aeronautics in the Department of Commerce for the federal regulation of air navigation, which recommendation ought to have legislative approval.

I recommend the enactment of legislation establishing a Bureau of Aeronautics in the Navy Department to centralize the control of naval activities in aeronautics, and removing the restrictions on the personnel detailed to aviation in the navy.

The army air service should be continued as a coordinate combatant of the army, and its existing organization utilized in cooperation with other agencies of the government in the establishment of national transcontinental airways, and in cooperation with the states in the establishment of local airdromes and landing fields.

The American people expect Congress unfailingly to voice the gratitude of the republic in a generous and practical way to its defenders in the World War, who need the supporting arm of the Government. Our very immediate concern is for the crippled soldiers and those deeply needing the helping hand of Government. Conscious of the generous intent of Congress, and the public concern for the crippled and dependent, I invited the services of a volunteer committee to inquire into the administration of the Bureau of War Risk Insurance, the Federal Board for Vocational Training and other agencies of government in caring for the ex-soldiers, sailors, and marines of the World War. This committee promptly reported the chief difficulty to be the imperfect organization of government effort, the same lack of coordination which hinders Government efficiency in many undertakings, less noticed because the need for prompt service is less appealing.

This committee has recommended, and I convey the recommendations to you with cordial approval, that all Government agencies looking to he welfare of the ex-service men should be placed under one directing ead, so that the welfare of these disabled saviors of our civilization and reedom may have the most efficient direction. It may be well to ake such an official the Director General of Service to War Veterans, nd place under his direction all hospitalization, vocational training, ar insurance, rehabilitation, and all pensions.

The immediate extension and utilization of the government's hospital acilities in Army and Navy will bring relief to the acute conditions ost complained of, and the hospital building program may be worked ut to meet the needs likely to be urgent at the time of possible comletion.

The whole program requires the most thoughtful attention of Conress, for we are embarking on the performance of a sacred obligation hich involves the expenditure of billions in the half century before s. Congress must perfect the policy of generous gratitude, and concientious administration must stamp out abuses in the very beginning. e must strengthen rather than weaken the moral fiber of the beneiciaries, and humanize all efforts so that rehabilitation shall be attended y respiritualization.

During the recent political canvass the proposal was made that a epartment of public welfare should be created. It was indorsed and ommended so strongly that I venture to call it to your attention and o suggest favorable legislative consideration.

Government's obligation affirmatively to encourage development of he highest and most efficient type of citizenship is modernly accepted, lmost universally. Government rests upon the body of citizenship; t can not maintain itself on a level that keeps it out of touch and undertanding with the community it serves. Enlightened governments verywhere recognize this and are giving their recognition effect in olicies and programs. Certainly no government is more desirous than ur own to reflect the human attitude, the purpose of making better itizens—physically, intellectually, spiritually. To this end I am coninced that such a department in the government would be of real alue. It could be made to crystallize much of rather vague generalizaion about social justice into solid accomplishment. Events of recent ears have profoundly impressed thinking people with the need to ecognize new social forces and evolutions, to equip our citizens for ealing rightly with problems of life and social order.

In the realms of education, public health, sanitation, conditions of orkers in industry, child welfare, proper amusement and recreation, he elimination of social vice, and many other subjects, the government as already undertaken a considerable range of activities. I assume he maternity bill, already strongly approved, will be enacted promptly, hus adding to our manifestation of human interest. But these undertakings have been scattered through many departments and bureaus without coordination and with much overlapping of functions which fritters energies and magnifies the cost. Many subjects of the greatest importance are handled by bureaus within government departments which logically have no apparent relation to them. Other subjects which might well have the earnest consideration of federal authority have been neglected or inadequately provided for. To bring these various activities together in a single department, where the whole field could be surveyed, and where their interrelationships could be properly appraised, would make for increased effectiveness, economy, and intelligence of direction. In creating such a department it should be made plain that there is no purpose to invade fields which the states have occupied. In respect of education, for example, control and administration have rested with the states, yet the federal government has always aided them. National appropriations in aid of educational purposes the last fiscal year were no less than $65,000,000. There need be no fear of undue centralization or of creating a federal bureaucracy to dominate affairs better to be left in state control. We must, of course, avoid overlapping the activities by the several states, and we must ever resist the growing demand on the federal Treasury for the performance of service for which the state is obligated to its citizenship.

Somewhat related to the foregoing human problems is the race question. Congress ought to wipe the stain of barbaric lynching from the banners of a free and orderly, representative democracy. We face the fact that many millions of people of African descent are numbered among our population, and that in a number of states they constitute a very large proportion of the total population. It is unnecessary to recount the difficulties incident to this condition, nor to emphasize the fact that it is a condition which can not be removed. There has been suggestion, however, that some of its difficulties might be ameliorated by a humane and enlightened consideration of it, a study of its many aspects, and an effort to formulate, if not a policy, at least a national attitude of mind calculated to bring about the most satisfactory possible adjustment of relations between the races, and of each race to the national life. One proposal is the creation of a commission embracing representatives of both races, to study and report on the entire subject. The proposal has real merit. I am convinced that in mutual tolerance, understanding, charity, recognition of the interdependence of the races, and the maintenance of the rights of citizenship lies the road to righteous adjustment.

It is needless to call your attention to the unfinished business inherited from the preceding Congress. The appropriation bills for army and navy will have your early consideration.

Neither branch of the government can be unmindful of the call for

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THE INEFFICIENCY OF WAR

THE INEFFICIENCY OF WAR

The photograph shows only a portion of the vessels constructed by the United States government to carry soldiers and supplies to France during the World War and thereafter anchored in idleness because there was no use for them. During the War, vessels could not be built speedily enough, for there were not enough of them for the cargoes destined for Europe; and after the War, they could not be sold at anything near their cost of construction, for there were no cargoes which needed them. The vessels shown on the preceding page were anchored in the Hudson River, at Jones Point, in order to save wharfage payments.

Statistics of shipping during and after the World War will be found in the Encyclopedic Index under "World War," "Merchant Marine," "Shipping," and "Shipbuilding." A view of the launching of a transport at a shipyard during the War, perhaps one of those shown in the illustration, will be found opposite another page. President Harding's plan to put the idle shipping of the Government to work after the War is discussed on pages 9100, 9107, 9158, 9195, 9210.

reduced expenditure for these departments of our national defense. The government is in accord with the wish to eliminate the burdens of heavy armament. The United States ever will be in harmony with such a movement toward the higher attainments of peace. But we shall not entirely discard our agencies for defense until there is removed the need to defend. We are ready to cooperate with other nations to approximate disarmament, but merest prudence forbids that we disarm alone.

The naval program which had its beginning in what seemed the highest assurances of peace can carry no threat after the latest proof of our national unselfishness. The reasonable limitation of personnel may be combined with economies of administration to lift the burdens of excessive outlay. The War Department is reducing the personnel of the Army from the maximum provided by law in June, 1920, to the minimum directed by Congress in a subsequent enactment. When further reduction is compatible with national security, it may well have the sanction of Congress, so that a system of voluntary military training may offer to our young manhood the advantages of physical development, discipline, and commitment to service, and constitute the Army reserve in return for the training.

Nearly two and a half years ago the World War came to an end, and yet we find ourselves today in the technical state of war, though actually at peace, while Europe is at technical peace, far from tranquillity and little progressed toward the hoped-for restoration. It ill becomes us to express impatience that the European belligerents are not yet in full agreement, when we ourselves have been unable to bring constituted authority into accord in our own relations to the formally proclaimed peace. Little avails in reciting the causes of delay in Europe or our own failure to agree. But there is no longer excuse for uncertainties respecting some phases of our foreign relationship. In the existing League of Nations, world-governing with its superpowers, this republic will have no part. There can be no misinterpretation, and there will be no betrayal of the deliberate expression of the American people in the recent election; and, settled in our decision for ourselves, it is only fair to say to the world in general, and to our associates in war in particular, that the League covenant can have no sanction by us.

The aim to associate nations to prevent war, preserve peace, and promote civilization our people most cordially applauded. We yearned for this new instrument of justice, but we can have no part in a committal to an agency of force in unknown contingencies; we can recognize no super-authority.

Manifestly the highest purpose of the League of Nations was defeated in linking it with the treaty of peace and making it the enforcing agency of the victors of the war. International association for permanent peace must be conceived solely as an instrumentality of justice, unassociated with the passions of yesterday, and not so constituted as to attempt the dual functions of a political instrument of the conquerors and of an agency of peace. There can be no prosperity for the fundamental purposes sought to be achieved by any such association so long as it is an organ of any particular treaty, or committed to the attainment of the special aims of any nation or group of nations.

The American aspiration, indeed, the world aspiration, was an association of nations, based upon the application of justice and right, binding us in conference and cooperation for the prevention of war and pointing the way to a higher civilization and international fraternity in which all the world might share. In rejecting the League covenant and uttering that rejection to our own people, and to the world, we make no surrender of our hope and aim for an association to promote peace in which we would most heartily join. We wish it to be conceived in peace and dedicated to peace, and will relinquish no effort to bring the nations of the world into such fellowship, not in the surrender of national sovereignty but rejoicing in a nobler exercise of it in the advancement of human activities, amid the compensations of peaceful achievement.

In the national referendum to which I have adverted we pledged our efforts toward such association, and the pledge will be faithfully kept. In the plight of policy and performance, we told the American people we meant to seek an early establishment of peace. The United States alone among the Allied and associated powers continues in a technical state of war against the Central Powers of Europe. This anomalous condition ought not to be permitted to continue. To establish the state of technical peace without further delay, I should approve a declaratory resolution by Congress to that effect, with the qualifications essential to protect all our rights. Such action would be the simplest keeping of faith with ourselves, and could in no sense be construed as a desertion of those with whom we shared our sacrifices in war, for these Powers are already at peace. Such a resolution should undertake to do no more than thus to declare the state of peace, which all America craves. It must add no difficulty in effecting, with just reparations, the restoration for which all Europe yearns, and upon which the world's recovery must be founded. Neither former enemy nor ally can mistake America's position, because our attitude as to responsibility for the war and the necessity for just reparations already has had formal and very earnest expression.

It would be unwise to undertake to make a statement of future policy with respect to European affairs in such a declaration of a state of peace. In correcting the failure of the Executive, in negotiating the most important treaty in the history of the Nation, to recognize the constitutional powers of the Senate we would go to the other extreme, equally objectionable, if Congress or the Senate should assume the function of the executive. Our highest duty is the preservation of the constituted powers of each, and the promotion of the spirit of cooperation so essential to our common welfare.

It would be idle to declare for separate treaties of peace with the Central Powers on the assumption that these alone would be adequate, because the situation is so involved that our peace engagements can not ignore the Old World relationship and the settlements already effected, nor is it desirable to do so in preserving our own rights and contracting our future relationships. The wiser course would seem to be the acceptance of the confirmation of our rights and interests as already provided and to engage under the existing treaty, assuming of course, that this can be satisfactorily accomplished by such explicit reservations and modifications as will secure our absolute freedom from inadvisable commitments and safeguard all our essential interests.

Neither Congress nor the people needs my assurance that a request to negotiate needed treaties of peace would be as superfluous and unnecessary as it is technically ineffective, and I know in my own heart there is none who would wish to embarrass the Executive in the performance of his duty when we are all so eager to turn disappointment and delay into gratifying accomplishment.

Problems relating to our foreign relations bear upon the present and the future, and are of such a nature that the all important future must be deliberately considered, with greater concern than mere immediate relief from unhappy conditions. We have witnessed, yea, we have participated in the supremely tragic episode of war, but our deeper concern is in the continuing life of nations and the development of civilization. We must not allow our vision to be impaired by the conflict among ourselves. The weariness at home and the disappointment to the world have been compensated in the proof that this republic will surrender none of the heritage of nationality, but our rights in international relationship have to be asserted; they require establishment in compacts of amity; our part in readjustment and restoration can not be ignored, and must be defined.

With the supergoverning league definitely rejected and with the world so informed, and with the status of peace proclaimed at home, we may proceed to negotiate the covenanted relationship so essential to the recognition of all the rights everywhere of our own nation and play our full part in joining the peoples of the world in the pursuits of peace once more. Our obligations in effecting European tranquillity, because of war's involvements, are not less impelling than our part in the war itself. This restoration must be wrought before the human procession can go onward again. We can be helpful because we are moved by no hatreds and harbor no fears. Helpfulness does not mean entanglement, and participation in economic adjustments does not mean sponsorship for treaty commitments which do not concern us, and in which we will have no part.

In an all-impelling wish to do the most and best for our own republic and maintain its high place among nations and at the same time make the fullest offering of justice to them, I shall invite in the most practical way the advice of the Senate, after acquainting it with all the conditions to be met and obligations to be discharged, along with our own rights to be safeguarded. Prudence in making the program and confident cooperation in making it effective can not lead us far astray. We can render no effective service to humanity until we prove anew our own capacity for cooperation in the coordination of powers contemplated in the Constitution, and no covenants which ignore our associations in the war can be made for the future. More, no helpful society of nations can be founded on justice and committed to peace until the covenants reestablishing peace are sealed by the nations which were at war. To such accomplishment—to the complete reestablishment of peace and its contracted relationships, to the realization of our aspirations for nations associated for world helpfulness without world government, for world stability on which humanity's hope are founded, we shall address ourselves, fully mindful of the high privilege and the paramount duty of the United States in this critical period of the world.

NOTES OF STATE DEPARTMENT TO JAPAN

[Disposition of Island of Yap.]

*November 9, 1920.**

During the recent sessions of the Communications Conference some question has arisen in regard to the disposition of the Island of Yap by the Supreme Council. It has been contended that this island was included in the islands north of the equator, which were offered by action of the Supreme Council of May 7, 1919, under mandate to Japan. It was the clear understanding of this Government that for reasons vitally affecting international communications, the Supreme Council, at the previous request of President Wilson, reserved for future consideration the final disposition of the Island of Yap in the hope that some agreement might be reached by the Allied and associated governments to place the island under international control and thus render it available as an international cable station. For this reason it is the understanding of the Government that the Island of Yap was not included in the action of the Supreme Council on May 7, 1919.

COLBY.

*December 6, 1920.**

There would appear to be no difference of opinion with regard to the reservations made by President Wilson and Mr. Lansing with respect to the Island of Yap during various discussions of the Supreme Council and the Council of Foreign Ministers at the Peace Conference. For clearer understanding of the issue as to whether, on the part of the United States, it was agreed that all the ex-German islands in the Pacific north of the equator should be allotted to Japan, your attention is drawn to the following facts:

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*Made public April 18, 1921.

On April twenty-first, at the meeting of President Wilson, Messrs. Lloyd George and Clemenceau, President Wilson, in reporting his conversation of that morning with Baron Makino and Count Chinda, stated among other things that he had reminded the Japanese delegates that it had been understood that Japan was to have the mandate for the islands in the north Pacific, although he had made a reserve in the case of the Island of Yap, which he considered should be international.

At the meeting of Foreign Ministers held on April thirtieth, 1919, at three p. m., in a discussion relating to cables, Mr. Lansing stated that there was a relevant question which he would like on future occasion to discuss, namely, whether in the interests of cable communications it would not be desirable that the Island of Yap be internationalized by an international commission in control of cable lines, and that he merely raised the question, although not on the agenda, in order to give warning that the question was in his mind and that he would propose it for discussion at a later time. He suggested that it was not necessary to maintain that all the islands should have the same status but that the Island of Yap should be held to constitute a special case. Baron Makino took the position that the status of the Island of Yap should be decided before the question of cables, Mr. Balfour replying that while the status of the island was a matter of great importance he did not think that the question of cables could be deferred, as it must be settled in time for the treaty with Germany; Germany could be required to give up all title to the island, and its status thereafter could be discussed among the Allies.

At a meeting on May first, held in Mr. Pichon's room, President Wilson stated that as the cable lines across the Pacific passed through the Island of Yap, which thus became a general distributing center for the lines of communication for the north Pacific, Yap should not pass into the hands of one Power. In the meeting of May sixth, in the discussion regarding the allotment of mandates in the Pacific, Mr. Lloyd George expressed his understanding that the Japanese should receive a mandate for *certain* islands north of the equator. According to the record, President Wilson consented in principle to this, with an explanatory statement that with respect to mandates the policy of the "open door" would have to be applied, and that there must be equal opportunities for the trade and commerce of other members of the League. The Island of Yap, having been previously cited as a special case for particular future consideration, was not intended to be included among the "certain islands" designated as available to Japan under mandate. This seems obvious as Yap appears to have been the only island north of the equator in regard to the disposition of which there had existed any difference of opinion. There is no indication in the minutes of any further discussion with regard to this island. There is attached, as an appendix to the minutes of the meeting of May seventh, four fifteen p. m., a memorandum which obviously purported to be a codification of the agreement reached in the meeting of May sixth with reference to the north Pacific islands. Upon this we understand is based the assertion that Yap was assigned under mandate to Japan. Even this, however, does not expressly include all the islands in this particular category, although the qualifying word "certain" is omitted. According to the minutes of this meeting there was no discussion whatever on May seventh in respect to mandates. The minutes quoted the memorandum with the statement, merely, that "the following decisions were reached." The erroneous publication of such a decision of which this Government was not aware would not validate it. The President recollects no proposal offered in this meeting to change the decision of May sixth and is certain he agreed to no variance of the original proposition. He understood it was generally agreed that the Island of Yap had been previously excluded and reserved for future determination in connection with the consideration of cable communications. In view of the President's reiterated objections to the inclusion of Yap in the mandate territories to be assigned to Japan, it is rather striking that the minutes of May seventh do not include any discussion whatever regarding Yap, which would have been most natural had the President been prevailed upon to recede from his previous firm position. It is most logical that the withdrawal of the previously recorded objections would have been noted or at least that the decision would have been drafted in more specific language. It would seem clear that the President acted on the assumption that the Island of Yap was not intended to be included in the decisions of May sixth and seventh.

It should also be noted that President Wilson, on August nineteen, 1919, before the Senate Committee on Foreign Relations made the following statement when questioned concerning the status of the Island of Yap:

> It is one of the bases and centers of cable and radio communication on the Pacific, and I made the point that the disposition, or rather the control, of that island should be reserved for the general conference which is to be held in regard to the ownership and operation of the cables. That subject is mentioned and disposed of in this Treaty and that general cable conference is to be held.

This statement evidences the understanding of the President, and it is interesting that though wide publicity was given to the President's declaration at the time no comments were received by this Government from any nation indicating a contrary opinion. Furthermore, attention is called to the fact that the draft mandate covering the ex-German islands north of the equator, submitted to the meeting of the Heads of Delegations on December twenty-four, 1919, contemplates that there may be a question as to what islands north of the equator should be allocated under mandate to Japan. Article Three reads as follows: "If any dispute should arise as to whether any particular island is or is not covered by the above mandate, the matter shall be submitted to the Council of the League of Nations whose decisions shall be final." The draft was not accepted, primarily on account of objections raised by the Japanese, which, however, did not relate to this particular provision. The point is cited merely as indicating an understanding that definite agreement had not yet been reached as to the final disposition of *all* the islands north of the equator.

It might also be observed that, assuming for the sake of argument the conditional allocation to Japan, the terms of the mandate have not been accepted by Japan or even as yet approved by the principal interested Powers or the League of Nations. In such case it would appear that until the island is accepted under mandate upon terms approved by the Powers concerned the status of temporary occupation must exist, which, in the circumstances, does not signify a vested interest in the island, and which admits of present determination of the conditions or terms of authority, control and administration.

I am directed by the President to inform you that the Government of the United States cannot agree that the Island of Yap was included in the decision of May seventh or in any other agreement of the Supreme Council. And in addition that as the Island of Yap must form an indispensable part of the international communications it is essential that its free and unhampered use for such purposes should not be limited or controlled by any one Power. Even on the assumption that the Island of Yap should be included among the islands held under mandate by Japan, it is not conceivable that other Powers should not have free and unhampered access to, and use of, the island for the landing and operation of cables. This is a right which the United States would be disposed to grant upon any of its unfortified islands which may be essential for such purposes.

The Government of the United States expresses the hope that the above statements of fact will convince the Japanese Government of the correctness of the position of the United States with respect to the mandate over the Island of Yap and also that the Japanese Government will concur in the view of the United States that even if Yap should be assigned under mandate to Japan all other Powers should have free and unhampered access to the island for the landing and operation of cables. DAVIS, Acting.

April 2, 1921.[*]

The Government of the United States finds itself unable to agree with the contention of the Japanese Government that in order to maintain the position of the Government of the United States with respect to the Island of Yap, it is necessary for this Government "to prove not merely the fact that the particular line of views was stated at the meetings" of the Supreme Council, but also that the Supreme Council "decided in favor of those views." If it is meant that the United States could be bound without its consent by the action of the Supreme Council, the contention is deemed by this Government to be inadmissible, and on the other hand the United States has never assented to the mandate purporting to embrace the Island of Yap.

In view of the frequent references in the note of the Japanese Government to what is termed the decision of the Supreme Council, this Government deems it appropriate to state the fundamental basis of its representations and the principles which in its view are determinative. It will not be questioned that the right to dispose of the overseas possessions of Germany was acquired only through the victory of the Allied and Associated Powers, and it is also believed that there is no disposition on the part of the Japanese Government to deny the participation of the United States in that victory. It would seem to follow necessarily that the right accruing to the Allied and Associated Powers through the common victory is shared by the United States and that there could be no valid or effective disposition of the overseas possessions of Germany, now under consideration, without the assent of the United States. This Government must therefore point out that as the United States has never vested either the Supreme Council or the League of Nations with any authority to bind the United States or to act on its behalf, there has been no opportunity for any decision which could be deemed to affect the rights of the United States. It may also be observed that the right accruing to the United States through the victory in which it has participated could not be regarded as in any way ceded or surrendered to Japan, or to other nations, except by treaty, and that no such treaty has been made.

The fact that the United States has not ratified the Treaty of Versailles cannot detract from rights which the United States had already acquired, and it is hardly necessary to suggest that a treaty to which the United States is not a party could not affect these rights. But it should be noted that the Treaty of Versailles did not purport to secure to Japan or to any other nations any right in the overseas possessions of Germany save as an equal right therein should be secured to the United States. On the contrary, Article 119 of the Treaty of Versailles provides: "Germany renounces in favour of the Principal

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[*] Made public April 18, 1921.

Allied and Associated Powers all her rights and titles over her overseas possessions." It will not be questioned that one of the "Principal Allied and Associated Powers" in whose favor Germany renounces her rights and titles is the United States. Thus, not only could the position of the Government of Japan derive no strength from the Treaty of Versailles or from any discussions preliminary thereto, but the terms of that treaty confirm the position of the Government of the United States.

Further, the draft Convention relating to the Mandate for the German concessions in the Pacific Ocean, north of the Equator, which was subsequently proposed, proceeded in the same view, purporting on behalf of the United States as one of the grantors to confer the mandate upon Japan, thus recognizing the right and interest of the United States and the fact that the proposed action could not be effective without the agreement of the United States as one of the Principal Allied and Associated Powers.

As the United States did not enter into this convention, or into any treaty relating to the subject, this Government is unable to understand upon what grounds it was thereafter attempted to confer the mandate without the agreement of the United States. It is manifest that the League of Nations was without any authority to bind the United States, and that the confirmation of the mandate in question, and the definition of its terms, by the Council of the League of Nations in December, 1920, cannot be regarded as having efficacy with respect to the United States.

It should be noted that this mandate not only recites Article 119 of the Treaty of Versailles, to the effect that "Germany renounced in favour of the Principal Allied and Associated Powers all her rights over her overseas possessions, including therein the groups of islands in the Pacific Ocean, lying north of the Equator," but also recites that "The Principal Allied and Associated Powers agreed that in accordance with Article 22, Part I, (Covenant of the League of Nations) of the said treaty, a mandate should be conferred upon His Majesty the Emperor of Japan to administer the said islands and have proposed that the Mandate should be formulated" as set forth. While this last quoted recital, as has already been pointed out in previous communications by this Government, is inaccurate in its terms, inasmuch as the United States as one of the Principal Allied and Associated Powers had not so agreed and proposed, the recital again recognizes the necessity of the participation of the United States in order to make the proposed disposition effective.

As, in the absence of any treaty with the United States relating to the matter, there was no decision on May 7, 1919, binding the United States, it is deemed to be unnecessary again to examine the brief minute of the meeting of the Supreme Council on that date. It may, however, be proper to say that the minute of this meeting, although obviously without any finality, could not properly be construed without due regard to the other proceedings of the Supreme Council and without taking account of the reservations which President Wilson had already made in the previous meetings of the Supreme Council on April 21st, April 30th and May 1st, 1919. The attitude of President Wilson is sufficiently shown by the following statement which he made to the Department of State on March 3, 1921:

> I beg to return the note received yesterday from the Japanese Government, which I have read, in relation to the proposed mandate covering the Island of Yap.
>
> My first information of a contention that the so-called decision of May 7, 1919, by the Council of Four assigned to Japan a mandate for the Island of Yap, was conveyed to me by Mr. Norman Davis in October last. I then

> informed him that I had never consented to the assignment of the Island of Yap to Japan.
>
> I had not previously given particular attention to the wording of the Council's minutes of May 7, 1919, which were only recently called to my attention. I had on several occasions prior to the date mentioned made specific reservations regarding the Island of Yap and had taken the position that it should not be assigned under mandate to any one Power but should be internationalized for cable purposes. I assumed that this position would be duly considered in connection with the settlement of the cable question and that it therefore was no longer a matter for consideration in connection with the peace negotiations. I never abandoned or modified this position in respect to the Island of Yap, and I did not agree on May 7, 1919, or at any other time, that the Island of Yap should be included in the assignment of mandates to Japan.
>
> As a matter of fact, all agreements arrived at regarding the assignment of mandates were conditional upon a subsequent agreement being reached as to the specific terms of the mandates, and further, upon their acceptance by each of the Principal Allied and Associated Powers. The consent of the United States is essential both as to assignments of mandates and the terms and provisions of the mandates, after agreement as to their assignment or allocation.
>
> The consent of the United States, as you know, has never been given on either point, as to the Island of Yap.

Apart from the expressed purpose of President Wilson in relation to the Island of Yap, inasmuch as the proceedings of the Supreme Council on May 7, 1919, did not, and in the nature of things could not, have finality, this Government is unable to perceive any ground for the contention that it was the duty of this Government to make immediate protest with respect to the so-called decision of May 7, 1919, and certainly it cannot be said that an omission to do so operated as a cession of its rights. It may be added, however, that when the matter was brought to the attention of this Government in connection with the Conference on Communications in October last, this Government informed the Government of Japan and other governments, (by notes of November 9, 1920) that it was the understanding of this Government that the Island of Yap was not included in the action of May 7, 1919. Its position was subsequently stated at length.

It is a cause of regret to this Government, that after and despite this protest, there should have been any attempt to pass upon drafts of mandates purporting to deal with the Pacific Islands including Yap, and that a mandate should have been approved, or attempted to be put into effect, which, while purporting to be made in the name of the United States, was without the assent of the United States. This Government trusts that this action, which it must assume was taken under a misapprehension, will be reconsidered.

In particular, as no treaty has ever been concluded with the United States relating to the Island of Yap, and as no one has ever been authorized to cede or surrender the right or interest of the United States in the Island, this Government must insist that it has not lost its right or interest as it existed prior to any action of the Supreme Council or of the League of Nations, and cannot recognize the allocation of the Island or the validity of the mandate to Japan.

In this view, this Government deems it to be unnecessary at this time to consider the terms of the so-called "C" mandates, or the discussion with respect thereto.

This Government, as has been clearly stated in previous communications, seeks no exclusive interest in the Island of Yap and has no desire to secure any privileges without having similar privileges accorded to other Powers, including, of course, Japan, and relying upon the sense of justice of the Government of Japan and of the Governments of the other Allied and Associated Powers, this

Government looks with confidence to a disposition of the matter whereby the just interests of all may be properly conserved. HUGHES.

STATE DEPARTMENT NOTE TO THE NETHERLANDS

[Availability of Oil Deposits in the Netherlands East Indies.]

Communicated by the American minister at The Hague on April 19, 1921, and made public on April 29, 1921.

Excellency, during the last twelve months I have on several occasions presented to your Excellency the very great interest of my Government in the participation by American capital in the development of the mineral oil deposits of the Netherlands East Indies. With your approval I have also had frequent interviews with the Minister of the Colonies on this same subject. On every occasion I have sought to impress upon the Government of the Netherlands that the real interest of the Government of the United States in these matters lies in the recognition of the principle of mutual or reciprocal accessibility to vital and natural resources by the nationals of the United States and by those of foreign countries, and the belief that the recognition of the principle of equal opportunity is the solution of the future oil problems throughout the world. I have pointed out that the United States has for years carried a burden of supplying a large part of the petroleum consumed by other countries, that Dutch capital has had free access to American oil deposits, and that the petroleum resources of no other country have been so heavily drawn upon to meet foreign needs as the petroleum resources of the United States. I have pointed out that in the future ample supplies of petroleum have become indispensable to the life and prosperity of my country as a whole, because of the fact that the United States is an industrial nation in which distance renders transportation difficult and agriculture depends largely on labor-saving devices using petroleum products.

In these circumstances, my Government finds no alternative than the adoption of the principle of equally good opportunity with the proviso that no foreign capital may operate in public lands unless its Government accords similar or like privileges to American citizens; and furthermore, I have submitted that in the light of the future needs of the United States such very limited and purely defensive provisions as the above might become inadequate should the principle of equality of opportunity not be recognized in foreign countries.

During the month of January, 1921, I again had an opportunity to discuss the situation with your Excellency and on this occasion I advised you that in my interviews with the Minister of the Colonies I had gained the impression that the Colonial Department at least was inclined to favor the participation of American capital in the development of the Djambi fields; at the same time I advised you of the nature of the reports which I made to my Government in which I had dwelt upon the favorable attitude of the Colonial Department and furthermore I asked whether the attitude of the Minister of Colonies represented in fact that of Her Majesty's Government. You will recollect that on January 31st you were good enough to advise me that my impressions had been accurately reported to my Government and that I had not exaggerated the favorable attitude of the Colonial Department, which represented that of your Excellency's Government.

I have now the honor to inform Your Excellency that I have received a telegram from the Secretary of State to the effect that the Government of the United States is still mindful of the assurances that have been given by you and by the Minister of Colonies relative to the favorable attitude of Her Majesty's Government towards American participation in the development of the Djambi fields. While I am not acting on behalf of any particular American Company, I am glad of this opportune moment to point out that certain definite propositions which have been made during the last twelve months furnish sufficient evidence that responsible and experienced American interests are ready and desirous to cooperate with the Netherlands' Government in oil developments in the Netherlands Indies.

It is perhaps needless to say that my Government is fully aware of the laws and regulations in the Indies which prohibit foreign Companies as such from entering the Colonies for the development of mineral oils. On the other hand, my Government is very greatly concerned when it becomes apparent that the monopoly of such far-reaching importance in the development of oil is about to be bestowed upon a company in which foreign capital other than American is so largely interested.

In this connection, I desire most earnestly to divert to Your Excellency's attention the fact that American capital stands ready to assist in the development of the Djambi fields and other oil deposits in the Netherlands Indies. In conclusion, I venture to say once more that my Government attaches the highest importance to the recognition of the principles of the reciprocity and equal opportunity in the solution of the oil problem, as well as the extension to American capital organized under Dutch law of the same privileges and benefits which are granted to other foreign capital similarly organized under the laws of the Netherlands.

STATE DEPARTMENT NOTES TO GERMANY

[In Answer to German Request to Mediate between Germany and the Allies on the Question of Reparations.]

April 21, 1921.

This Government could not agree to mediate the question of reparations with a view to acting as umpire in its settlement. Impressed, however, with the seriousness of the issues involved as they affect the whole world, the Government of the United States feels itself to be deeply concerned with the question of obtaining an early and just solution. This Government strongly desires that there should be an immediate resumption of negotiations and reiterates its earnest hope that the German Government will promptly formulate such proposals as would present a proper basis for discussion. Should the German Government take this course, this Government will consider bringing the matter to the attention of the Allied Governments in a manner acceptable to them in order that negotiations may speedily be resumed. HUGHES.

May 2, 1921.

The Government of the United States has received the memorandum left by Doctor Simons with the Commissioner of the United States under date of April 24, relating to reparations. In reply this Government states that it finds itself unable to reach the conclusion that the proposals afford a basis for discussion acceptable to the Allied Governments. This Government therefore again expressing its earnest desire for a prompt settlement of this vital question strongly urges the German Government at once to make directly to the Allied Governments clear, definite and adequate proposals which would in all respects meet its just obligations.

HUGHES.

STATE DEPARTMENT NOTE TO PANAMA

[Boundary Dispute Between Panama and Costa Rica.]

May 2, 1921.

The Government of the United States has received the note dated March 18, 1921, sent by the Government of Panama to the American Legation on April 12, 1921, and received by the Department of State on April 21, 1921, referring to the note addressed by this Government to the Government of Panama on March 16, 1921. The Government of the United States, before passing to the consideration of the questions raised in the note under acknowledgment, considers it would be lacking in candor and in true friendliness to the Republic of Panama if it did not express to the Panaman Government the surprise and regret which the contents of the note have caused it.

The Government of the United States believes that its views regarding the boundary dispute between Panama and Costa Rica, as well as its opinion as to the only just and equitable solution of that dispute, have been indicated with such clarity to the Panaman Government that an extended discussion of the contentions advanced by the Government of Panama should be unnecessary. As a further evidence, however, of its friendly consideration for the Republic of Panama, which this Government has never failed to manifest, the Government of the United States desires to make the following statements at this time in order that there may be no room for doubt as to the reasons for the insistence of this Government that the Government of Panama comply with its international obligations.

The Government of Panama, in its references to the note addressed to it through the American Legation on March 16, appears to overlook the fact that the Government of Panama on March 4 had requested this Government to declare the manner in which it understood its obligations towards the Republic in the light of the first article of the Hay-Bunau Varilla Treaty. While the note above referred to contained suggestions as to the course which it was believed the Government of Panama should follow, which were offered by this Government as the friendly mediator in the dispute, the note also contained the expression of the views of this Government as the guarantor of the independence of Panama. This Government believes that it would be inadmissible to interpret its obligations to the Republic of Panama as embracing an obligation to support any claims for adjoining territory which might be advanced by the Government of Panama, no matter what the opinion of this Government might be as to the validity or justice of these claims and without the limitation obviously implied in the first article of the Hay-Bunau Varilla Treaty. The Government of the United States has already indicated to the Government of Panama what it understands its obligations to be, and must again state, in the most positive manner, that its duty to guarantee and maintain the independence of Panama requires it to inquire into the merits of any controversies relating to the boundaries of the Republic of Panama in order that it may satisfy itself as to the true extent of the territory of Panama and obliges it to assure itself that the Government of Panama faithfully performs its international obligations. The fact that the "rights of jurisdiction and territorial sovereignty of Panama," as stated by the Government of Panama, emanate "from colonial titles, and from acts of possession, or from arbitral decisions," so far as the Republic of Panama is vested with these rights of jurisdiction and territoral sovereignty, cannot be deemed as in any way entitling the Government of Panama to demand the occupation of territory which is not a part of the Republic of Panama and has been conclusively adjudged to belong to Costa Rica.

With respect to the finality of the Loubet award, as to that portion of the boundary line in the region of the Pacific from Punta Burica to a point beyond Cerro Pando on the Central Cordillera near the 9th degree of north latitude, this Government cannot now regard that line as being in question which the Republic of Panama has heretofore formally, by treaty, stated to be "clear and indisputable."

As to the statement contained in the note of the Government of Panama that it does not accept as correct an attempt to separate the boundary question into two parts, it should be sufficient to point out that this separation was unequivocally recognized by the Porras-Anderson agreement between the Republic of Panama and the Republic of Costa Rica, when it was set forth that there was no question with respect to the portion of the boundary line in the region of the Pacific, as above described, while the other portion of the line was to be made the subject of arbitral award. Upon this point this Government believes it necessary only to repeat the words of the first paragraph of Article I of the Porras-Anderson Treaty of March 17, 1910, as follows:

> Art. I. The Republic of Costa Rica and the Republic of Panama, although they consider that the boundary between their respective territories designated by the arbitral award of his Excellency the President of the French Republic the 11th September, 1900, is clear and indisputable in the region of the Pacific from Punta Burica to a point beyond Cerro Pando on the Central Cordillera, near the 9th degree of north latitude, have not been able to reach an agreement in respect to the interpretation which ought to be given to the arbitral award as to the rest of the boundary line, and for the purpose of settling their said disagreements agree to submit to the decision of the Honorable the Chief Justice of the United States, who will determine, in the capacity of arbitrator, the question: What is the boundary between Costa Rica and Panama under and most in accordance with the correct interpretation and true intention of the award of the President of the French Republic made the 11th September, 1900?
>
> In order to decide this the arbitrator will take into account all the facts, circumstances, and considerations which may have a bearing upon the case, as well as the limitation of the Loubet Award expressed in the letter of his Excellency M. Delcassé, Minister of Foreign Relations of France, to his Excellency Señor Peralta, Minister of Costa Rica in Paris, of the 23rd November, 1900, that this boundary line must be drawn within the confines of the territory in dispute as determined by the Convention of Paris between the Republic of Costa Rica and the Republic of Colombia of the 20th January, 1886.

Moreover, the fact that the boundary line on the Pacific side could no longer be the subject of dispute was specifically set forth in the communication from the Legation of Panama at Washington to the Secretary of State of the United States under date of October 20, 1914, in which it was stated:

> By the terms of the convention the line of the Loubet award was recognized as binding upon the parties. As to about one-half of that line (from Punta Burica to a point beyond Cerro Pando), it was expressly stated that no question whatever existed, and that portion of the boundary is in no way involved in the present arbitration.

The contentions which have been heretofore advanced by the Government of Panama, and are reiterated in the note under consideration, with respect to the award of the Chief Justice of the United States as to the boundary line on the Atlantic side, cannot be deemed by this Government to affect in any manner the finality of the Loubet award with respect to the boundary line upon the Pacific side, and that territory which was adjudged to be a portion of the territory of the Republic of Costa Rica by a boundary line which the Republic of Panama formally declared "clear and indisputable," still remains, in the opinion of this Government, the territory of Costa Rica, and is to be respected as such. This Government must point out that no argumentation can change the fact that this territory belongs to the Republic of Costa Rica and that the Republic of Costa Rica is entitled to have its jurisdiction set up and maintained therein by orderly processes. There appears to this Government to be no foundation for the claim that the Government of Panama is entitled to retain territory on the Pacific side which confessedly does not belong to Panama, because the Government of Panama is not satisfied with the award of the Chief Justice of the United States as to other territory on the Atlantic side.

Nor is this Government able to find any valid ground for objection to the award of the Chief Justice of the United States with respect to the latter territory. The Government of the United States has given careful consideration to the documents to which the Government of Panama referred in its note under acknowledgment bearing upon the jurisdiction of the arbitrator. This Government has not been able to find in these documents any justification for the assertion that the interpretations of the Loubet award on the Atlantic side advanced by the Governments of Panama and Costa Rica defined the scope of the new arbitration. On the contrary, it seems to this Government to be entirely clear that the powers and jurisdiction of the arbitrator cannot be thus limited. Provision is made for the powers and jurisdiction of the arbitrator in terms which cannot be questioned in Article I of the Porras-Anderson Treaty already quoted. In that Article, the two parties definitely agree to submit to the arbitrator the determination of the question: "What is the boundary between Costa Rica and Panama under and most in accordance with the correct interpretation and true intention of the award of the President of the French Republic made the 11th of September, 1900?" and this question the arbitrator determined. The two Governments agreed in Article VII of the same Treaty that the "award, whatever it be, shall be held as a perfect and compulsory treaty between the High Contracting Parties," and both parties bound themselves "to the faithful execution of the award and waived all claims against it." When the Chief Justice of the United States, after exhaustive review of the contentions advanced by the two Governments, determined that the boundary between the two countries as defined in his award was the one "most in accordance with the correct interpretation and true intention" of the former award, the arbitrator decided the precise question which the submission had invested him with jurisdiction to decide, and the two parties to the dispute were, by their most solemn engagement, bound to accept his determination accordingly.

In the opinion of this Government, it would be impossible to ignore the effect of this decision upon the ground that the Chief Justice of the United States should have recognized some other line than the one which he found to be most in accord with the true intention of the prior award, or that he should have given weight to claims which, in the exercise of his undoubted jurisdiction, he determined were without foundation.

This Government must again direct attention to the fact that not only did the Chief Justice of the United States determine explicitly what he was authorized to determine, but that in the process of determination he was most careful to observe the directions set forth in Article I of the Porras-Anderson Treaty. In the second paragraph of this Article, as above quoted, it was provided that the arbitrator was to take into account the limitation of the Loubet award expressed in the letter of His Excellency, M. Delcassé, of the 23rd of November, 1900, that this boundary line "must be drawn within the confines of the territory in dispute as determined by the Convention of Paris between the Republic of Costa Rica and the Republic of Colombia of the 20th January, 1886." It would seem to be obvious that in the discharge of his duty it was incumbent upon the arbitrator to decide what were the confines of the territory in dispute, as determined by the Convention to which reference is made, in order that he might comply with the terms of the submission as to the drawing of the boundary line within these confines. Mindful of this obligation, the arbitrator did consider and determine, as he undoubtedly had jurisdiction and duty to consider and determine, what were the confines of the territory in dispute, and this Government finds no basis whatever for the suggestion that having determined this preliminary fact, the arbitrator was without authority to draw the boundary line accordingly. On the contrary, having made the determination as to the extent of the territory in dispute, he was bound by the explicit provisions of the submission to draw the boundary line within that territory.

The Government of the United States is unable to find any warrant for the contention of the Government of Panama that if any part of the line fixed by President Loubet did, in fact, lie outside the limits of the territory in dispute as fixed by the convention of 1886, it was then the duty of the arbitrator to go no further, that is, to make no award. That would have been in direct antagonism to the terms of the submission and it was in that event the duty of the arbitrator to draw, within the territory in dispute, the line which, under this limitation, he deemed to be most in accord with the true intention and correct interpretation of the former award. This duty was recognized by the Republic of Panama in its statement submitted to the arbitrator which contains the following:

> But, if any part of the line fixed by President Loubet did, in fact lie outside the limits fixed by the Convention of 1886, that part would require modification and it would be necessary for the present arbitrator to substitute for it such line as he should determine to be "most in accordance with" what he should find to be the "true intention of the award."

The Government of the United States is therefore unable to find any force in the contention now made by the Government of Panama in reiteration of the claims that it has made since the award, that the arbitrator by drawing this substitute line exceeded his powers and jurisdiction.

From every point of view, therefore, when the Chief Justice of the United States as arbitrator fixed the boundary line on the Atlantic side as starting at the mouth of the Sixaola River and thence running as described to the point near the 9th degree of north latitude beyond Cerro Pando on the Central Cordillera, he acted in exact compliance with the obligation imposed upon him by the acceptance of the submission. The Republic of Panama and the Republic of Costa Rica are, therefore, bound by his arbitral award which they have promised to accept as final.

The Government of the United States has taken note of the statement of the Government of Panama referring to the expressions of public opinion in the Republic of Panama, which it states evidences the unanimity of the people of Panama against the recognition of the White award. The Government of the United States has learned of these expressions with deep regret. It feels confident, appreciating as it does, the love of right and justice which has always animated them, that the people of Panama will recognize the obligation of their Government to comply with the terms of the solemn agreements into which it has entered, a compliance which will afford the only permanent settlement of the boundary dispute between the Republics of Panama and Costa Rica.

In the light of the obligation of the Government of Panama, under Article VII of the Porras-Anderson Treaty, requiring that Government faithfully to execute the award and to waive all claims against it, and to consider the award as a perfect and compulsory Treaty between the Governments of Panama and Costa Rica, the Government of the United States cannot consider the suggestion made by the Government of Panama that a plebiscite be held in the territory in dispute as a means of reaching a final settlement of the controversy. For the same reason, and also because of the obligations of this Government towards the Republic of Panama, the Government of the United States cannot consider offering any suggestions to the Government of Panama other than the recommendations contained in the note of March 16. This Government is glad to receive from the Government of Panama the expression of its appreciation of the friendly purposes of this Government and of its confidence in the spirit of justice animating the people of the United States. It is precisely because of its friendship for the Republic of Panama, as well as because of its desire to assure itself that the peace of Central America is maintained on a stable basis guaranteed by the scrupulous observance of international obligations, that the Government of the United States feels compelled to state that it expects the Government of Panama to take steps promptly to transfer the exercise of jurisdiction from the territory awarded to Costa Rica by the Loubet award, at present occupied by the civil authorities of the Government of Panama, in an orderly manner, to the Government of Costa Rica. Unless such steps are taken within a reasonable time, the Government of the United States will find itself compelled to proceed in the manner which may be requisite in order that it may assure itself that the exercise of jurisdiction is appropriately transferred and that the boundary line on the Pacific side, as defined in the Loubet award, and on the Atlantic side, as determined by the award of the Chief Justice of the United States, is physically laid down in the manner provided in Articles II and VII of the Porras-Anderson Treaty.

It is with the utmost regret that the Government of the United States feels itself obliged to communicate to the Government of Panama this determination which it has reached after the most careful and friendly deliberation. Its decision has been arrived at because of the special interest of this Government in the Republic of Panama and because of its belief that only by compliance with the reasonable expectations of the Government of the United States in this matter can the welfare of Panama be promoted and its friendly relations with the neighboring Republics of America be assured.

HUGHES.

EXECUTIVE ORDER

[Record of War Agencies Transferred.]

THE WHITE HOUSE, *April 21, 1921.*

The War Department is hereby directed to take over the records of the following organizations: Council of National Defense; War Industries Board; Committee on Public Information; War Labor Board.

WARREN G. HARDING.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

PROCLAMATIONS

[Poland and Danzig—Suspension of Tonnage Dues.]

Whereas, satisfactory proof has been given to me by the Government of the Republic of Poland that no discriminating duties of tonnage or imposts are levied or imposed in the waters of Poland or the Free City of Danzig upon vessels wholly belonging to citizens of the United States or upon the produce, manufactures, or merchandise imported in such vessels from the United States, or from any foreign country:

Now, therefore, I, Warren G. Harding, President of the United States of America, by virtue of the authority vested in me by Section four thousand, two hundred and twenty-eight of the Revised Statutes of the United States, do hereby declare and proclaim that the foreign discriminating duties of tonnage and imposts within the United States are suspended and discontinued so far as respects the vessels of Poland and the vessels of the Free City of Danzig, and the produce, manufactures, or merchandise imported in said vessels into the United States from Poland or the Free City of Danzig, or from any other foreign country; the suspension to take effect on and after the date of this Proclamation and to continue so long as the reciprocal exemption of vessels belonging to citizens of the United States, and their cargoes, shall be continued, and no longer.

In testimony whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done in the District of Columbia, this 6th day of May, in the year of our Lord one thousand, nine hundred and twenty-one,
[SEAL.] and of the Independence of the United States the one hundred and forty-fifth. WARREN G. HARDING.

By the President:

CHARLES E. HUGHES, *Secretary of State.*

[Memorial Day.]

Whereas this nation has been conceived in prayer and devotion by men and women who were moved under God to found a nation where principles of right should form the lasting cornerstone; And whereas these principles purchased at the price of great sacrifice have been fostered by a worthy posterity; And whereas a great war has lately laid its costly demands upon our land:

Now, therefore, I, Warren G. Harding, President of the United States of America, do hereby proclaim Monday, the thirtieth day of May, a day already freighted with sacred and stimulating memories, a day of public memorial. I invite my fellow citizens fittingly to pay homage on this day to a noble dead who sleep in homeland, beneath the sea or on foreign field that we who survive might enjoy the blessings of peace and happiness, and to the end that liberty and justice, without which no nation can exist, shall live forever.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done in the District of Columbia this third day of May, in the year of our Lord nineteen hundred and twenty-one and of the Independence of the United States the one hundred and forty-fifth.

[SEAL.]

WARREN G. HARDING.

By the President:

CHARLES E. HUGHES, *Secretary of State.*

EXECUTIVE ORDERS

[Civil Service in Postmaster Appointments.]

THE WHITE HOUSE, *May 10, 1921.*

When a vacancy exists or hereafter occurs in the position of postmaster at an office of the first, second or third class, if such vacancy is not filled by nomination of some person with the competitive classified Civil Service who has the required qualifications, then the Postmaster General shall certify the fact to the Civil Service Commission, which shall forthwith hold an open competitive examination to test the fitness of applicants to fill such vacancy, and when such examination has been held and the papers in connection therewith have been rated, the said Commission shall certify the results thereof to the Postmaster General, who shall submit to the President the name of one of the highest three qualified eligibles for appointment to fill such vacancy unless it is established that the character or residence of any such applicant disqualifies him for appointment: PROVIDED: That at the expiration of the term of any person appointed to such position through examination before the Civil Service Commission, the Postmaster General may, in his discretion, submit the name of such person to the President for renomination without further examination.

No person who has passed his sixty-fifth birthday, or who has not actually resided within the delivery of such office for two years next preceding such vacancy, shall be given the examination herein provided for.

If, under this order, it is desired to make nomination for any office of a person in the competitive classified service, such person must first be found by the Civil Service Commission to meet the minimum requirements for the office.

WARREN G. HARDING.

ACCOMPANYING STATEMENT

There are more than 400,000 men and women participating in governmental work who are in classified service. All of these are under the permanent provisions of the civil service law and rules.

These permanent rules provide for the certification of the highest three eligibles, from which list of three each necessary appointment is made. The successful operation of the principles of civil service law has demonstrated the wisdom of this provision. This leaves in the appointing power, who has the ultimate responsibility for efficient administration, the necessary, constitutional right of choice. This right of selection is the kind of responsibility which cannot legally be and is not abridged by Act of Congress, and is in exact harmony with the spirit of the civil service principle.

There are 52,332 postmasters. Of these, 39,433 are in the Fourth Class, and are now under such civil service laws and regulations as bring them within the privileges and conditions of the classified service.

Of the remaining 12,899 post offices, 700 are First Class, 2,617 are Second Class and 9,582 are Third Class. Obviously these offices are business agencies of the government in legal purpose and should become so in fact. The only certain ultimate way to bring this about is to classify First, Second and Third Class postmasters. This will require an Act of Congress. It is a step forward, measured by the requirements of progress, and is one which I hope will be made. Under existing laws the Executive has no power to require that these offices be placed in the classified service.

Moving in that direction, however, the Executive Order issued today provides that if any such vacancy is not filled by nomination for promotion of one from within the competitive classified civil service, then an open competitive examination shall be held and the appointment shall be made from one of the highest three eligibles, as required now by law in the classified civil service.

This order, which is for our own guidance in making these appointments, will bring an operation squaring with the requirements of any probable future legislation.

Under this order the kind of test and plan of investigation and examination which shall be provided for, shall be approved by the President and shall be based on the applicant's business training, experience, fitness, organizing and executive ability and general qualifications for an efficient administration, and shall in no sense be a cloistered, scholastic examination which might result in a high grade in theory, but not a guaranty of efficiency in fact.

This order applies to all present incumbents of post offices whose terms have expired, and will apply to all other incumbents as their present terms expire.

[Temporary Stop-Overs at Ports of the United States Without Visaed Passports.]

THE WHITE HOUSE, *May 12, 1921.*

By virtue of the authority vested in me by the Act approved May 22, 1918, entitled "An Act to Prevent in Time of War Departure from and Entry into the United States Contrary to the Public Safety," I, Warren G. Harding, President of the United States of America, hereby amend the Executive Order of August 8, 1918, relating to the "Rules and Regulations Governing the Issuance of Permits to Enter and Leave the United States," by the following provisions:

Aliens who are passengers on vessels calling, while en route to foreign destinations, at ports of the United States, including outlying territories and insular possessions, may be allowed to land at these ports without visaed passports, provided that they land merely for the limited periods of time during which the vessels may lie over at the ports mentioned, and provided also, that they continue their voyages on the same vessels. These exceptions are made for the benefit of passengers who desire to land temporarily for purposes of sightseeing or other legitimate objects. Aliens landing with the intention of remaining for a longer period are required to present visaed passports. It will be the duty of the masters of the vessels to satisfy the Immigration authorities that passengers who obtain permission to land temporarily will not remain on shore after the departure of the vessels. Appropriate instructions upon this subject will be sent by the Department of Labor to Immigration officials at seaports. The names of all passengers of the class mentioned who fail to reimbark and continue their voyages shall be reported by the Immigration authorities at the ports to the Department of Labor and the Department of State, for appropriate action.

WARREN G. HARDING.

[Death of Chief Justice White.]

THE WHITE HOUSE, *May 19, 1921*

The death of the Honorable Edward Douglas White, Chief Justice of the United States, occurred this morning. In his death, the United States has lost one of its most distinguished citizens and public servants, whose legal training and profound knowledge of the law made him eminently fitted for the highest judicial office of the country.

He had served well and faithfully as a Senator of the United States, as an Associate Justice of the Supreme Court of the United States, and as Chief Justice of the United States. His judicial opinions, based always on the principles of right and justice, and unbiased by personal influences and consideration, will hold high rank among the decisions of the country's Highest Court of Justice.

His private life was simple and unaffected and was characterized by virtues which might well serve as example for the people of America.

In testimony of the respect in which his memory is held by the Government and people of the United States, and in recognition of his eminent and varied services as a public servant, I do hereby direct that the National Flag be displayed at half staff upon all the public buildings of the United States; that The White House and the several Executive Departments and Independent Government Establishments in the City of Washington be closed on the day of his funeral; that the usual and appropriate military and naval honors be rendered, and that on all the legations and consulates of the United States in foreign countries, the National Flag shall be displayed at half staff for thirty days from the receipt of this order.

WARREN G. HARDING.

STATE DEPARTMENT NOTES

[To Allied Conference, Meeting in London.]

May 6, 1921.

The Government of the United States has received through the British Ambassador the courteous communication in which you state that, with the unanimous concurrence of the Powers represented at the Allied Conference in London, you are to inquire whether this Government is disposed to be represented in the future, as it was in the past, at Allied Conferences, at the Conference of Ambassadors in Paris, and on the Reparation Commission.

The Government of the United States, while maintaining the traditional policy of abstention from participation in matters of distinctly European concern, is deeply interested in the proper economic adjustment and in the just settlement of the matters of world-wide importance which are under discussion in these conferences, and desires helpfully to cooperate in the deliberations upon these questions.

Mr. George Harvey, appointed Ambassador to Great Britain, will be instructed on his arrival in England to take part as the representative of the President of the United States, in the deliberations of the Supreme Council. The American Ambassador to France will be instructed to resume his place as unofficial observer on the Conference of Ambassadors, and Mr. Roland W. Boyden will be instructed to sit again in an unofficial capacity on the Reparation Commission.

The Government of the United States notes with pleasure your expression of the belief of the representatives of the Allied Governments assembled in London, that American cooperation in the settlement of the great international questions growing out of the world war will be of material assistance.

HUGHES.

[To Poland, Regarding Disposition of Upper Silesia.]

*May 4, 1921.**

I have the honor to acknowledge the receipt of your note of May 11th, in which you recite the reasons why, in your opinion, certain districts of Upper Silesia should be assigned to Poland and urge that the representatives of the Government of the United States on the Supreme Council, the Council of Ambassadors, and the Reparation Commission be instructed to exert their influence in favor of a settlement of the matter strictly in accord with the Treaty of Versailles and the result of the recent plebiscite.

In reply I have the honor to inform you that in my opinion the settlement of such boundary disputes as arise in the case under consideration is a matter of European concern in which, in accord with the traditional policy of the United States, this Government should not become involved. The attitude of the Government in this matter is clearly understood by its representatives in Europe, who will therefore, as far as at present may be seen, take no part in the discussions concerning Upper Silesia, and will express no opinion as to the settlement.

HUGHES.

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*Made public May 18, 1921.

STATEMENT BY STATE DEPARTMENT

[Substance of Note to The Netherlands, Regarding Oil Deposits in the Netherlands East Indies, Dispatched on May 27, 1921.]

June 11, 1921.

The Department of State instructed the American Legation at The Hague on May 27, 1921, to address a note in the following sense to the Netherlands Foreign Office:

Reference was made to the note of the Netherlands Government dated May 10, 1921, on the subject of the draft of law under consideration by the Dutch Parliament looking to the development of certain concessions in the Dutch East Indies known as the Djambi concessions.

The Legation was instructed to express the American Government's regrets that the Dutch Government should regard the desire expressed by the American Government, and which has been expressed on repeated occasions, that American citizens should be allowed to share in the development of the oil industry in the Dutch East Indies as Dutch citizens were permitted to enjoy similar concessions in the United States, as having been presented too late to receive consideration of the Dutch Government.

Note was taken of the Foreign Minister's reference to conversations during January, 1921, and to his statements that prior to the Legation's note of April 19, 1921, plans for the development of the Djambi oil lands, set forth in the legislation under consideration, had already been decided upon in principle, except for the approval of the States General. Since it was feared that the statement referred to might convey the impression that the United States Government and American companies had shown before January, 1921, no interest in the matter of the concession for the Djambi oil lands, the Legation was instructed to make reference to a number of communications which in the course of the past year had been exchanged between the Netherlands Government and the United States Government.

The American Legation at The Hague on June 5, 1920, had inquired regarding the exact conditions under which citizens of the United States would be able to take part in the development of the petroleum-bearing lands of the possessions of The Netherlands in the East Indies in order that the Legation might be able to give assurance to United States interests that the Dutch Government would welcome the cooperation of American interests in the development of the region in question. The Legation on September 7, 1920, had informed the Foreign Minister that the United States Government believed that the proposed legislation regarding the Djambi oil fields, if it should become a law, would almost certainly be regarded as an exclusive measure and as being at variance with the principle of equality of economic opportunity so far as it concerned the Dutch East Indies. Shortly after this communication from the Legation on September 8, 1920, a responsible American company asked that it might participate in the concession to which reference has been made.

The Legation was instructed to refer to the fact that certain statements in a document prepared by the United States Department of State under date of May 14, 1920, regarding the virtual exclusion of United States interests from the developments of oil lands in the Dutch East Indies, had caused the Legation of The Netherlands at Washington to communicate to the Department of State on June 30, 1920, September 27, 1920, and February 2, 1921, certain facts and comments with reference to the legislation and policy in force in the Dutch East Indies.

In these communications the attention of the United States Government had been called particularly to Articles 5A and 28 (2A) of the Indian Mining Law of The Netherlands. According to the understanding of the United States Government under Article 28 (2A) the mining of oil was to be restricted to the Government of The Netherlands and to companies or individuals who had formed contracts with that Government under certain provisions of Article 5A, according to which there could be no conclusion of agreement for any work, except prospecting, until authority to do so had been legally granted in each particular case. The Legation of The Netherlands at Washington, in a note of June 30, 1920, had stated that the Government of the Dutch East Indies would exploit its petroleum resources or would do so under contract with private companies or persons who had already obtained authorization by law to enter into such contracts. In its note of September 27, 1920, the Legation of The Netherlands had mentioned a bill, apparently the one now under consideration in the Parliament of The Netherlands, in which reference was made to a contract between the Bataafsche Petroleum Company and the Government of The Netherlands providing for exploitation of the oil fields under the provisions of Articles 5A and 28 (2A) of the Indian Mining Law of The Netherlands.

According to the understanding of the United States Government, however, the proposed legislation to which reference has been made provides that a new company, to be known as The Netherlands Indies Mineral Oil Company, shall be created and to it shall be turned over the operation of the concession for the Djambi oil lands. It does not appear, however, that there is any reference in this bill to any earlier engagements which the Government of The Netherlands has formed with the Bataafsche Petroleum Company.

Consequently, the United States Government, though it realized that an arrangement between The Netherlands Government and the Bataafsche Petroleum Company was in contemplation, had naturally believed that the Government of The Netherlands had reached no decision in regard to this matter except such as were of a provisional nature, and accordingly not in any way binding on that Government with regard to the company or companies involved.

The Legation was instructed to remind the foreign minister, if the Government of The Netherlands felt the introduction of the bill to constitute a final decision, that the legislation in question was only introduced into Parliament on November 22, 1920, and that several weeks prior to that date the United States Government had already made its representations with reference to the matter and a reliable American corporation had applied to the Dutch Government for a share in the development of the oil lands.

If the Government of The Netherlands desired confirmation as to the assurances conveyed by the Legation of the United States at The Hague in respect to the attitude of the Government of the United States and of American companies, such information would appear to be furnished by the fact that in March and April, 1921, before any vote on the proposed legislation had been taken in the Second Chamber, another United States company had communicated in specific terms its wish to obtain a share in the concession under discussion.

Accordingly, the Legation was instructed to state that the United States Government finds it impossible to regard the applications of American companies or its own expressions of interest in the matter as having been communicated too late to the Government of The Netherlands.

It was also pointed out that the United States Government welcomes the statement in the Foreign Minister's note of May 10, 1921, to the effect that in the Indian laws of The Netherlands no distinction is made between the capital of The Netherlands and capital of foreign countries in so far as concerns companies wishing to take part in the development of the oil lands of the East Indian possessions of The Netherlands and that the Government of The Netherlands would regard with satisfaction the cooperation of American capital in the development of the mineral oil resources of the colonies in question.

This Government was compelled to state, as has already been set forth November 2, 1920, to the Legation of The Netherlands at Washington, that although the law appears to allow aliens to own stock in companies engaged in the development of oil lands in the Dutch East Indies, the execution of the law as stimulated by the proposed legislation under discussion can only be regarded as indicating that the Netherlands Government at present purposes to exclude citizens of the United States from any participation of a substantial character in its mineral oil industry, and, accordingly, to prevent American citizens from enjoying the equality of opportunity which citizens of The Netherlands have enjoyed in this country.

The Minister was finally instructed to express the hope of this Government that the Government of The Netherlands would find itself yet able to settle this question in accordance with the fundamental principle of reciprocity which is regarded as of the greatest importance in relation to the exploitation of natural resources.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION

[Amendments of the Migratory Bird Treaty Act Regulations.]

Whereas, the Secretary of Agriculture, by virtue of the authority vested in him by Section Three of the Migratory Bird Treaty Act (40 Stat., 755), has submitted to me for approval, regulations further amendatory of the regulations approved and proclaimed July 31, 1918, which the Secretary of Agriculture has determined to be suitable amendatory regulations permitting and governing the hunting, taking, capture, killing, possession, sale, purchase, shipment, transportation, carriage and export of said birds and parts thereof and their nests and eggs, which said amendments are as follows:

Regulation 3, as amended by Proclamation dated July 28, 1919, (41 Stat., 1st Session, Pt. 2, p. 24) and Proclamation dated March 3, 1921, is hereby further amended so as to read as follows:

Regulation 3.—Means by which migratory game birds may be taken.

The migratory game birds specified in Regulation 4 hereof may be taken during the open season with a gun only, not larger than No. 10 gauge, fired from the shoulder, except as specifically permitted by Regulations 7, 8, 9, and 10 hereof; they may be taken during the open season from the land and water, with the aid of a dog, the use of decoys, and from a blind or floating device (other than an airplane, powerboat, sailboat, any boat under sail, or any floating device towed by a powerboat or sailboat).

Regulation 4, subtitle "Waterfowl (except wood duck, eider ducks, and swans), coot, gallinules, and Wilson snipe or jacksnipe," is hereby amended so as to read as follows:

Regulation 4.—Open seasons on and possession of certain migratory game birds.

Waterfowl, (except wood duck, eider ducks, and swans) coot, gallinules, and Wilson snipe or jacksnipe.—The open season for waterfowl (except wood duck, eider ducks, and swans), coot, gallinules, and Wilson snipe or jacksnipe shall be as follows:

In Maine, New Hampshire, Vermont, Massachusetts, New York (except Long Island), Pennsylvania, Ohio, West Virginia, Kentucky, Indiana, Michigan, Wisconsin, Illinois, Minnesota, Iowa, Missouri, North Dakota, South Dakota, Nebraska, Kansas, Colorado, Wyoming, Montana, Idaho, Nevada, and that portion of Oregon and Washington lying east of the summit of the Cascade Mountains the open season shall be from September 16 to December 31;

In Rhode Island, Connecticut, Utah, California, and that portion of Oregon and Washington lying west of the summit of the Cascade Mountains the open season shall be from October 1 to January 15;

In that portion of New York known as Long Island, and in New Jersey, Delaware, Oklahoma, Texas, New Mexico, and Arizona the open season shall be from October 16 to January 31;

In Maryland, the District of Columbia, Virginia, North Carolina, South Carolina, Georgia, Florida, Alabama, Mississippi, Tennessee, Arkansas, and Louisiana the open season shall be from November 1 to January 31; and

In Alaska the open season shall be from September 1 to December 15.

Now therefore, I, Warren G. Harding, President of the United States of America, do hereby approve and proclaim the foregoing amendatory regulations.

In witness whereof, I have hereunto set my hand and caused the seal of the United States of America to be affixed.

Done in the District of Columbia, this 17th day of May, in the year of our Lord One Thousand Nine Hundred and Twenty-one [SEAL.] and of the Independence of the United States of America the One Hundred and Forty-fifth.

WARREN G. HARDING.

By the President:

CHARLES E. HUGHES, *Secretary of State.*

STATE DEPARTMENT STATEMENT

[Relations Between United States and Mexico.]

June 7, 1921.

The fundamental question which confronts the Government of the United States in considering its relations with Mexico is the safeguarding of property rights against confiscation. Mexico is free to adopt any policy which she pleases with respect to her public lands, but she is not free to destroy without compensation valid titles which have been obtained by American citizens under Mexican laws. A confiscatory policy strikes not only at the interests of particular individuals, but at the foundations of international intercourse, for it is only on the basis of the security of property validly possessed under the laws existing at the time of its acquisition, that commercial transactions between the peoples of two countries and the conduct of activities in helpful cooperation are possible.

This question should not be confused with any matter of personalities or of the recognition of any particular administration. Whenever Mexico is ready to give assurances that she will perform her fundamental obligation in the protection, both of persons and of rights of property validly acquired, there will be no obstacles to the most advantageous relations between the two peoples.

This question is vital because of the provisions inserted in the Mexican Constitution promulgated in 1917. If these provisions are to be put into effect retroactively, the properties of American citizens will be confiscated on a great scale. This would constitute an international wrong of the gravest character and this Government could not submit to its accomplishment. If it be said that this wrong is not intended, and that the Constitution of Mexico of 1917 will not be construed to permit, or enforced so as to effect confiscation, then it is important that this should be made clear by guarantees in proper form. The provisions of the Constitution and the Executive Decrees which have been formulated with confiscatory purposes, make it obviously necessary that the purposes of Mexico should be definitely set forth.

Accordingly this Government has proposed a Treaty of Amity and Commerce with Mexico, in which Mexico will agree to safeguard the rights of property which attached before the Constitution of 1917 was promulgated. The question, it will be observed, is not one of a particular administration but of the agreement of the nation in proper form which has become necessary as an international matter because of the provisions of its domestic legislation. If Mexico does not contemplate a confiscatory policy, the Government of the United States can conceive of no possible objection to the Treaty.

The proposed treaty also contains the conventional stipulations as to commerce and reciprocal rights in both countries. It also provides for the conclusion of a convention for the settlement of claims for losses of life and property, which, of course, means the prompt establishment of a suitable claims commission in which both countries would be represented, in order to effect a just settlement. There is also a provision for a just settlement of boundary matters.

The question of recognition is a subordinate one, but there will be no difficulty as to this, for if General Obregon is ready to negotiate a proper treaty it is drawn so as to be negotiated with him and the making of the treaty in proper form will accomplish the recognition of the Government that makes it. In short, when it appears that there is a government in Mexico willing to bind itself to the discharge of primary international obligations, concurrently with that act its recognition will take place. This Government desires immediate and cordial relations of mutual helpfulness and simply wishes that the basis of international intercourse should be properly maintained.

Accordingly on the 27th of May last, Mr. Summerlin, American Chargé d'Affaires at Mexico City, presented to General Obregon a proposed Treaty covering the matters to which reference has been made. The matter is now in the course of negotiations and it is to be hoped that when the nature of the precise question is fully appreciated the obstacles which have stood in the way of a satisfactory settlement will disappear.

EXECUTIVE ORDER

[Alaskan Railroad Townsite Regulations.]

THE WHITE HOUSE, *June 10, 1921.*

Under and pursuant to the provisions of the act of Congress approved March 12, 1914 (38 Stat., 305), entitled "An act to authorize the President of the United States to locate, construct, and operate railroads in the Territory of Alaska, and for other purposes," it is hereby ordered that the administration of that portion of said act relating to the withdrawal, location and disposition of townsites shall be in accordance with the following regulations and provisions, to wit:

RESERVATIONS.—The Alaskan Engineering Commission will file with the Secretary of the Interior, when deemed necessary, its recommendations for the reservation of such areas as in its opinion may be needed for townsite purposes. The Secretary of the Interior will thereupon transmit such recommendations to the President with his objections thereto or concurrence therewith. If approved by the President, the reservation will be made by Executive Order.

SURVEY.—When, in the opinion of the Secretary of the Interior the public interests require a survey of any such reservation, he shall cause to be set aside such portions thereof for railroad purposes as may be selected by the Alaskan Engineering Commission, and cause the remainder, or any part thereof, to be surveyed into urban or suburban blocks and lots of suitable size, and into reservations for parks, schools, and other public purposes and for Government use. Highways should be laid out, where practicable, along all shore lines, and sufficient land for docks and wharf purposes along such shore lines should be reserved in such places as there is any apparent necessity therefor. The survey will be made under the supervision of the Commissioner of the General Land Office and the plats will be approved by him and by the chairman of the Alaskan Engineering Commission.

PREFERENCE RIGHT.—Any person residing in a reserved townsite at the time of the subdivisional survey thereof in the field and owning and having valuable and permanent improvements thereon, may, in the discretion of the Secretary of the Interior, be granted a preference right of entry, of not exceeding two lots on which he may have such improvements by paying the appraised price fixed by the Superintendent of sale, under such regulations as the Secretary of the Interior may prescribe. Preference right proof and entry, when granted, must be made prior to the date of the public sale.

PUBLIC SALE.—The unreserved and unsold lots will be offered at public outcry to the highest bidder at such time and place, and after such publication of notice, if any, as the Secretary of the Interior may direct, and he may appoint or detail some suitable person as superintendent of sale to supervise the same and may fix his compensation and require him to give sufficient bond.

SUPERINTENDENT'S AUTHORITY.—Under the supervision of the Secretary of the Interior, the superintendent of the sale will be, and he is hereby, authorized to make all appraisements of lots and at any time to reappraise any lot which in his judgment is not appraised at the proper amount, or to fix a minimum price for any lot below which it may not be sold, and he may adjourn, or postpone the sale of any lots to such time and place as he may deem proper.

MANNER AND TERMS OF PUBLIC SALE.—The Secretary of the Interior shall by regulations prescribe the manner of conducting the public sale, the terms thereof and forms therefor and he may prescribe what failures in payment will subject the bidder or purchaser to a forfeiture of his bid or right to the lot claimed and money paid thereon. The Superintendent of Sale will at the completion of the public sale deposit with the receiver of the proper local land office the money received and file with its officers the papers deposited with him by said bidder, together with his certificate as to successful bidder.

If it be deemed advisable, the Commissioner of the General Land Office may direct the receiver of public moneys of the proper district to attend sales herein provided for in which event the cash payment required shall be paid to the said receiver.

ANCHORAGE, MATANUSKA, AND NENANA TOWNSITES.—Unsold and forfeited lands in the townsites of Anchorage, Matanuska, and Nenana, upon which assessments for the improvements of streets, sidewalks, alleys, and for promotion of sanitation and fire protection have been levied by the Alaskan Engineering Commission and the assessments or any portion thereof remain unpaid shall be subject to such unpaid assessments and the purchaser shall pay the same in the manner the Secretary of the Interior may by regulations provide, and the proceeds of such assessments will be deposited with the Alaskan Engineering Commission, as a reimbursement to the operating expense fund as provided in section 3 of the Act of March 12, 1914 (38 Stat., 305). See 22 Comp. Dec. 604. Hereafter no such assessments by said Commission will be levied.

In cases where one of a number of joint purchasers of a lot has made or may hereafter make all payments of his pro rata share of the purchase price and assessments on the lot, such lot may, in the event of forfeiture being declared, and in the discretion of the Secretary of the Interior, be re-subdivided and a preference right of purchase given to the person who has made all payments on his portion thereof, such preference right to be confined to the portion of the original lot held and claimed by such person. This privilege may be extended to a transferee of an original purchase.

Final certificate may issue in these townsites in all cases, when the purchase price and assessments are paid in full without regard to date of purchase.

COMMISSION BUILDINGS ON LOTS.—Buildings belonging to the Alaskan Engineering Commission situated on a lot in any townsite may be appraised and sold separate and apart from the lot on which located, under regulations provided by the Secretary of the Interior for the same and for the removal of the buildings. The proceeds for the sale of such buildings shall be paid to the Alaskan Engineering Commission as a reimbursement to its operating account.

PRIVATE ENTRY.—Lots offered at public sale and not sold and lots offered and declared forfeited in a townsite may, in the discretion of the Secretary of the Interior, be sold at private entry for the appraised price.

ORDERS REVOKED.—All Executive Orders heretofore issued for the disposition of townsites along the Government railroads in Alaska are hereby revoked so far as they conflict with the foregoing provisions. This order is intended to take the place of all other orders making provisions for the sale and disposal of lots in said townsites along Government railroads in Alaska under the provisions of said act.

WARREN G. HARDING.

STATE DEPARTMENT ANNOUNCEMENT

[Date of Withdrawal of United States Armed Forces From Santo Domingo.]

Being a Proclamation Issued by Rear Admiral S. S. Robison, *Military Governor*

June 14, 1921.

Whereas, by proclamation of the Military Governor of Santo Domingo, dated December 23, 1920, it was announced to the people of the Dominican Republic that the Government of the United States desired to inaugurate the simple processes of its rapid withdrawal from the responsibilities assumed in connection with Dominican affairs; and,

Whereas, it is necessary that a duly constituted Government of the Dominican Republic exist before this withdrawal of the United States may become effective, in order that the functions of government may be resumed by it in an orderly manner;

Now, therefore, I, S. S. Robison, Military Governor of Santo Domingo, acting under the authority and by direction of the Government of the United States, declare and announce to all concerned that the Government of the United States proposes to withdraw its military forces from the Dominican Republic in accordance with steps set forth herein. It is the desire of the Government of the United States to assure itself before its withdrawal is accomplished that the independence and territorial integrity of the Dominican Republic, the maintenance of public order and the security of life and property will be adequately safeguarded, and to turn over the administration of the Dominican Republic to a responsible Dominican Government duly established in accordance with the existing Constitution and laws.

To this end it calls upon the Dominican people to lend to it their helpful cooperation with the hope that the withdrawal of the military forces of the United States may be completed, if such cooperation is extended in the manner hereinafter provided, within a period of eight months. The executive power vested by the Dominican Constitution in the President of the Republic shall be exercised by the Military Governor of Santo Domingo until a duly elected proclaimed President of the Republic shall have taken office and until a convention of evacuation shall have been signed by the President and confirmed by the Dominican Congress.

Within one month from the date of this proclamation the Military Governor will convene the primary assemblies to assemble thirty days after the date of the decree of convention, in conformity with Articles 82 and 83 of the Constitution. These assemblies shall proceed to elect the electors, as prescribed by Article 84 of the Constitution. In order that these elections may be held without disorder, and in order that the will of the Dominican people may be freely expressed, these elections will be held under the supervision of the authorities designated by the Military Governor. The electoral colleges thus selected by the primary assemblies shall, in accordance with Article 85 of the Constitution, proceed to elect Senators, Deputies and alternates for the latter and to prepare lists for the Justices of the Supreme Court, of the Appellate Courts and the tribunals and courts of the first instance, as prescribed by Article 85 of the Constitution.

The Military Governor, performing the functions of Chief Executive, will then appoint, in accordance with Article 53 of the Constitution, certain Dominican citizens as representatives of the republic to negotiate a convention of evacuation. In order that the enjoyment of individual prosperity of the republic may be conserved, the said convention of evacuation shall contain the following provisions:

1. Ratification of all of the acts of the Military Government.

2. Validation of the final loan of $2,500,000, which is the minimum loan required in order to complete the public works which are now in actual course of construction, and which can be completed during the period required for the withdrawal of the military occupation and are deemed essential to the success of the new Government of the Republic and to the well-being of the Dominican people.

3. Extension of the duties of the general receiver of Dominican customs, appointed under the Convention of 1907, to apply to the said loan.

4. Extension of the powers of the general receiver of Dominican customs to the collection and disbursement of such portion of the internal revenues of the republic as may prove to be necessary, should the customs revenues at any time be insufficient to meet the service of the foreign debt of the Republic.

5. The obligation on the part of the Dominican Government, in order to preserve peace, to afford adequate protection to life and property and to secure the proper discharge of all obligations of the Dominican Republic, to maintain an efficient Guardia Nacional, urban and rural, composed of native Dominicans. To this end it shall also be agreed in said convention that the President of the Dominican Republic shall at once request the President of the United States to send a military mission to the Dominican Republic, charged with the duty of securing the competent organization of such Guardia Nacional; the Guardia Nacional to be officered by such Dominican officers as may be competent to undertake such service, and, for such time as may be found necessary, to effect the desired organization with American officers appointed by the President of the Dominican Republic upon the nomination of the President of the United States. The expenses of said mission will be paid by the Dominican Republic, and the said mission will be invested by the executive of the Dominican Republic with proper and adequate authority to accomplish the purpose above stated.

The Military Governor will thereupon convene the Dominican Congress in extraordinary session to confirm the convention of evacuation referred to above. The Military Governor will then assemble the Electoral Colleges for the purpose of electing a President of the Dominican Republic in accordance with Article 85 of the Constitution, and simultaneously officials other than the Senators and Deputies elected at the first convocation of the electoral colleges will be installed in office.

The Dominican President so elected will then take office in accordance with Article 51 of the Constitution, at the same time signing the convention of evacuation as confirmed by the Dominican Congress.

Upon this ratification of the convention of evacuation, assuming that through the cooperation of the people of the Dominican Republic a condition of peace and good order obtains, the Military Governor will transfer to the duly elected President of the Republic all of his powers, and the Military Government will cease; and thereupon the forces of the United States will be at once withdrawn. The further assistance of the Advisory Commission appointed under the proclamation of December 23, 1920, being no longer required, it is hereby dissolved, with the expression of the grateful appreciation of the Government of the United States of the self-sacrificing services of the patriotic citizens of the Dominican Republic of whom it has been composed.

STATE DEPARTMENT STATEMENT

[Referring to Above Proclamation.]

June 28, 1921.

The attention of the Government of the United States has been drawn to the evident misunderstanding which exists in the Dominican Republic regarding the provisions of the proposed Convention of Evacuation as outlined in the Proclamation of the Military Governor, dated June 14. In order that misunderstanding and misinformation may no longer continue, the following statement is made in order to insure an accurate understanding of the actual meaning and intention of the proposed Convention:

1. In carrying out the provisions of the Proclamation relative to the appointment of certain Dominican citizens as representatives of the Dominican Republic to negotiate the Convention of Evacuation with the representatives of the United States, it is the intention of the Military Government to request the Dominican Congress, as soon as it is elected, to agree upon the names of the representatives of the Dominican Republic. The persons so selected will be formally appointed by the Military Governor in his capacity as Executive ad interim of the Dominican Republic, to be its delegates to negotiate the Convention of Evacuation.

2. The stipulation of the Proclamation of June 14, that the Convention of Evacuation shall provide for the ratification of all of the acts of the Military Government is intended primarily to insure the recognition by the newly constituted Government of the Dominican Republic of the validity of the financial obligations incurred by the Military Government during the period in which it acted on behalf of the Dominican people. These financial obligations were incurred by the Military Government with the consent of the United States in order that funds might be obtained for the carrying out of projects which have promoted the welfare and prosperity of the Dominican people and the Government of the United States feels it necessary to satisfy itself, before its withdrawal from its present relation to Dominican affairs is made effective, that the present holders of these obligations of the Dominican Government may receive satisfactory assurances that the Dominican Government will respect these debts. The validating stipulation should not, however, be construed as conveying the meaning that the Government of the United States insists that every Executive Order issued by the Military Government during its incumbency must continue forever unchanged in the Dominican Code. Its meaning, on the contrary, is that all of the acts of the Military Government shall be ratified initially by the newly constituted Dominican Government. After the withdrawal, the Dominican Republic will necessarily be free to amend or repeal such of these laws or acts as it may deem necessary, provided that the validity and security of outstanding obligations are not impaired.

3. That provision of the proposed Convention which would extend the powers of the General Receiver of Customs to the collection of such portion of the internal revenues of the Republic as may be necessary should the customs revenues at any time be insufficient to meet the requirements of the service of the public debt of the Republic, is, in effect, merely a further guarantee for the proper security of the final loan of $2,500,000. Financial conditions throughout the world are at present on such an unstable basis that it is necessary in order to obtain funds at this time to give additional guarantees to those which were demanded in the past. Should the customs revenues, as is anticipated, prove more than sufficient to meet the service of the public debt of the Republic, this provision will never become operative.

STATE DEPARTMENT NOTE TO CHINA

[Continuation of Support of Federal Telegraph Company.]

*July 1, 1921.**

I have the honor to acknowledge the receipt of your note of June 9th, and in reply assure you that it is not the intention of this Government to withdraw from the position hitherto taken by it in support of the rights accruing to the Federal Telegraph Company under the contract of January 8 last. In its view, the communications which it has received from the other interested Governments, in reply to its inquiries as to the reasons for their protests to the Chinese authorities against this contract, tend only to confirm this Government in its belief that the adverse claims which have been urged as excluding the Federal Telegraph Company from participating with the Chinese Government in establishing wireless communications are founded upon assertions of monopolistic or preferential rights, in the field of Chinese Governmental enterprise, which cannot be reconciled either with the treaty rights of American citizens in China, or with the principle of the open door.

Your reference to the principle of the open door affords me the opportunity to assure you of this Government's continuance in its whole-hearted support of that principle, which it has traditionally regarded as fundamental both to the interests of China itself and to the common interests of all powers in China, and indispensable to the free and peaceful development of their commerce on

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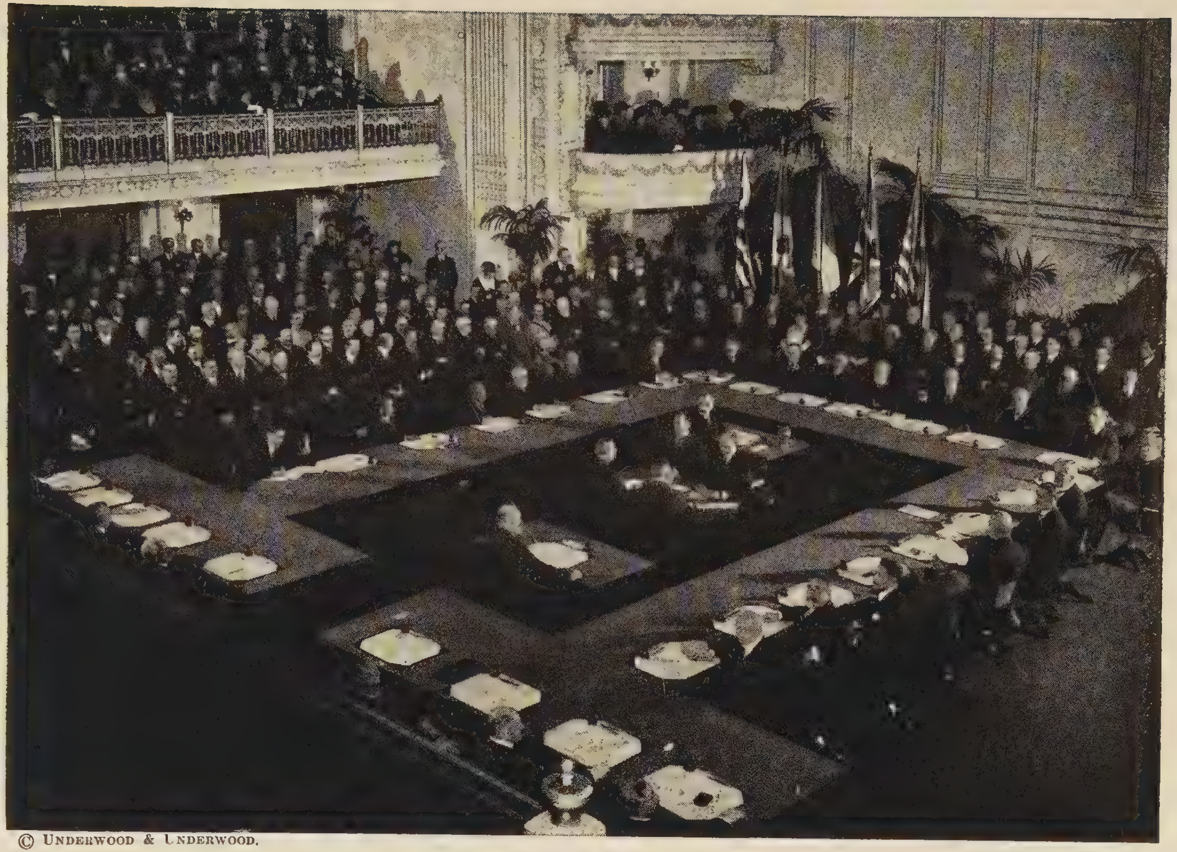
*Made public July 9, 1921. Adressed to Chinese Minister to United States.



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THE OPENING OF THE CONFERENCE ON LIMITATION OF ARMAMENT

THE ARMAMENT LIMITATION CONFERENCE

The circumstances surrounding the holding of the Conference on Limitation of Armaments, which convened in Washington on November 12, 1921, are narrated on page 9037, and the following pages contain the most important documents and decisions to which the Conference gave birth.

The possibility of limiting naval armaments interested President Roosevelt intensely, and he gives his views on the subject on pages 6923, 6993 and 7113. President Taft continues the discussion on pages 7494 and 7656, and President Wilson, after the outbreak of the World War, discusses, on pages 8203 and 8424, the relation of limitation of armaments to lasting peace after the War.

The work of the Hague Peace Conferences is discussed in the Encyclopedic Index article under that heading and also on pages 6664, 7060, 7118. A view of the so-called Peace Palace at The Hague will be found opposite page 6485. Facing the reader, at the head of the table, from left to right, are Prime Minister Briand, of France; Senator Lodge, Mr. Root, Senator Underwood and Secretary of State Hughes, the United States delegation; Mr. Balfour and Lord Lee, of the British delegation.

the Pacific Ocean. The Government of the United States has never associated itself with any arrangement which sought to establish any special rights or privileges in China which would abridge the rights of the subjects or citizens of other friendly states; and I am happy to assure you that it is the purpose of this Government neither to participate nor to acquiesce in any arrangement which might purport to establish in favor of foreign interests any superiority of rights with respect to commercial or economic development in designated regions of the territories of China, or which might seek to create any such monopoly or preference as would exclude other nationals from undertaking any legitimate trade or industry or from participating with the Chinese Government in any category of public enterprise. HUGHES.

STATE DEPARTMENT ANNOUNCEMENT

[Calling of Conference by President Harding on Disarmament and Far Eastern Questions.]

July 11, 1921.

The President, in view of the far-reaching importance of the question of limitation of armament, has approached with informal but definite inquiries the group of Powers heretofore known as the Principal Allied and Associated Powers, that is, Great Britain, France, Italy and Japan, to ascertain whether it would be agreeable to them to take part in a conference on this subject, to be held in Washington at a time to be mutually agreed upon. If the proposal is found to be acceptable, formal invitations for such a conference will be issued.

It is manifest that the question of limitation of armament has a close relation to Pacific and Far Eastern problems, and the President has suggested that the Powers especially interested in these problems should undertake in connection with this conference the consideration of all matters bearing upon their solution with a view to reaching a common understanding with respect to principles and politics in the Far East. This has been communicated to the Powers concerned and China has also been invited to take part in the discussion relating to Far Eastern problems.

ADDRESS TO SENATE JULY 12, 1921.

[Urging Unfavorable Action Upon Bill to Adjust Compensation of Veterans of the World War.]

Mr. President, and Gentlemen of the Senate:

There has come to my attention the pending unfinished business before the Senate, and it is an imperative duty to convey to you the probable effect of the passage at this time of the proposed act, providing for adjusted compensation to our service men in the World War. If this measure could be made effective at the present time without disaster to the Nation's finances and without hindrance to imperative readjustment of our taxes it would present an entirely different question than that which is before you. In a personal as well as a public manner, which ought to be a plight of good faith, I have commended the policy of generous treatment of the Nation's defenders, not as a part of any contract, not as the payment of a debt which is owing, but as a mark of the Nation's gratitude. Every obligation is to the disabled and dependent. In such reference as has been made to general compensation there has been a reservation as to the earliest consistent time for such action if it is taken. Even without such reservation, however, a modified view would be wholly justifiable at the present moment, because the enactment of the compensation bill in the midst of the struggle for readjustment and restoration would hinder every effort and greatly imperil the financial stability of our country. More, this menacing effort to expend billions in gratuities will imperil our capacity to discharge our first obligations to those we must not fail to aid.

I am addressing the Senate directly because the problem is immediately yours, as your unfinished business, but the Executive branch of the Government owes it to both Houses of Congress and to the country frankly to state the difficulties we daily are called upon to meet, and the added peril this measure would bring.

Our land has its share of the financial chaos and the industrial depression of the world. We little heeded the growth of indebtedness or the limits of expenditure during the war because we could not stop to count the cost. Our one thought then was the winning of the war, and the survival of the Nation. We borrowed and loaned—individuals to the Nation and the Government to other governments, and to those who served the Nation, with little thought of settlement. It was relatively easy then, because national life was at stake. In the sober aftermath we face the order of reason, rather than act amid the passions of war, and our own land and the world are facing problems never solved before. There can be no solution unless we face the grim truths and seek to solve them in resolute devotion to duty. After a survey of more than four months, contemplating conditions which would stagger all of us were it not for our abiding faith in America, I am fully persuaded that three things are essential to the very beginning of the restored order of things. These are the revision, including reduction, of our internal taxation, the refunding of our war debt, and the adjustment of our foreign loans. It is vitally necessary to settle these problems before adding to our Treasury any such burden as is contemplated in the pending bill.

It is unthinkable to expect a business revival and the resumption of the normal ways of peace while maintaining the excessive taxes of war. It is quite as unthinkable to reduce our tax burdens while committing our Treasury to an additional obligation which ranges from three to five billions of dollars. The precise figures no one can give. If it is conceivably true that only two hundred millions a year will be drawn annually from the Treasury in the few years immediately before us, the bestowal is too inconsequential to be of real value to the Nation's defenders; and, if the exercise of the option should call for cash running into billions, the depression in finance and industry would be so marked that vastly more harm than good would attend.

Our Government must undertake no obligations which it does not intend to meet. No Government fiat will pay our bills. The exchanges of the world testify today to that erroneous theory. We may rely on the sacrifices of patriotism in war, but today we face markets, and the effects of supply and demand, and the inexorable laws of credits in time of peace.

At the very moment we are obliged to pay 5¾ per cent interest for Government short-time loans to care for our floating indebtedness, a rate on Government borrowing, in spite of tax-exemption, which ought to prevail in private transactions for the normal interest charges in financing our industry and commerce. Definite obligations amounting to seven and a half billions in war savings certificates, victory bonds and certificates covering floating indebtedness are to mature in the two years immediately following, and the overburdening of the Treasury now means positive disaster in the years immediately before us. Merest prudence calls out in warning.

Our greatest necessity is a return to the normal ways of peace activities. A modest offering to the millions of service men is a poor palliative to more millions who may be out of employment. Stabilized finance and well-established confidence are both essential to restored industry and commerce.

The slump which is now upon us is an inevitable part of war's aftermath. It has followed in the wake of war since the world began. There was the unavoidable readjustment, the inevitable charge-off, the unfailing attendance of losses in the wake of high prices, the inexorable deflation which inflation had preceded. It has been wholly proper to seek to apply Government relief to minimize the hardships, and the Government had aided wherever possible, and is aiding now, but all the special acts ever dreamed of, all the particular favors ever conceived will not avoid all the distress nor ward off all the losses. The proper mental state of our people will commit us resolutely and confidently to our tasks, and definite assurances as to taxation and expenditure will contribute to that helpful mental order. The only sure way to normalcy is over the paths nature has marked throughout all human experience.

With the approval of Congress the Executive branch of Government has been driving toward that decreased expenditure which is the most practical assurance of diminished taxation. With enthusiastic resolution your administrative agents are making not only conscientious effort to reduce the call for appropriations, but to reduce the cost of government far below the appropriations you have already provided. It is easy to believe that the only way to diminish the burdens which the people must pay is to cut the outlay in which public moneys are expended. War is not wholly responsible for staggering costs; it has merely accentuated the menace which lies in mounting cost of government and excesses in expenditure which a successful private business would not tolerate.

I can make you no definite promise in figures today, but I can pledge you a most conscientious drive to reduce Government cost by many millions. It would be most discouraging to those who are bending their energies to save millions to have Congress add billions to our burdens at the very beginning.

Even were there not the threatened paralysis of our Treasury, with its fatal reflexes on all our activities which concern our prosperity, would it not be better to await the settlement of our foreign loans? At such a time it would be a bestowal on the part of our Government when it is able to bestow.

The United States participates in none of the distributable awards of war, but the world owes us heavily, and will pay when restoration is wrought. If the restoration fails world-bankruptcy attends. I believe the world restoration is possible, but only with honest, diligent work in productivity on the one hand, and honest and diligent opposition to needless public expenditure on the other.

If the suggested recommitment of this measure bore the merest suggestion of neglect or a hint of national ingratitude I would not urge it. It has been my privilege to speak to Congress on our obligations to the disabled and dependent soldiers and the Government's deep desire to prove its concern for their welfare. I should be ashamed of the Republic if it failed in its duty to them. Neither armistice nor permanent peace puts an end to the obligations of Government to its defenders or the obligations of citizens to the Government. Mindful of these things the administrative branch of the Government has not only spoken, it has acted and has accomplished.

In view of some of the things which have been said, and very carelessly said, perhaps I ought to report officially some of the things which have been done. In the Department of War Risk Insurance there have been filed up to July 7, 1921, compensation and insurance claims numbering 813,442. Of these, 747,786 have been adjudicated, at an expenditure of $471,946,762. There were 200,000 claims pending when the War Risk Department was reorganized, late in April, this year, and the number of pending claims has been reduced by 134,344. All work in this department will be current by the 21st of this July; that is to say, all action which the bureau may take on a given case will be current, though new claims are being filed at the rate of 700 per day.

There have been requested 887,614 medical examinations, and less than fourteen thousand await medical action. Up to July 7 there have been 26,237 disabled soldiers hospitalized, and in Government controlled hospitals today there are 6,000 available beds without occupants. You are already aware of the progress made toward the construction of additional Government hospitals, not because we are not meeting all demands, but to better meet them and the better to specialize in the treatment of those who come under our care.

There has been paid out in allotment and allowances the sum of $578,465,658, and nearly $4,000,000,000 of Government insurance is in force.

In vocational training and rehabilitation of disabled soldiers there have been enrolled to date 107,824 men. Today there are 75,812 men who are training with pay, at the maximum cost of $160 per month; 8,208 training without pay, but at a tuition and supply outlay of $35 per month. Four thousand disabled men have completed their training and have been returned to gainful employment. These earned an average of $1,051 per year before entering the Army, and are earning today, in spite of their war disability and in spite of diminished wage or salary levels, an average of $1,550 per annum.

It is an interesting revelation and a fine achievement, attended by both abuses and triumphs. Congress has appropriated $65,000,000 for this noble work for the current year, but the estimated acceptance of training for the year before us contemplates an average of 95,000 disabled men, and the cost will be in excess of $163,000,000, or nearly a hundred millions more than Congress has provided. This additional sum must be made available. With the increase of availability to training, as recently urged upon Congress, the estimated additional expenditure will be $468,000,000 per annum, until the pledge of training is discharged. These figures suggest neither neglect nor ingratitude. It is more than the entire annual cost of Federal government for many years following the Civil War, and challenges every charge of failure to deal considerately with our Nation's defenders. I do not recite the figures to suggest that it is all we may do, or ultimately ought to do. It is inevitable that our obligations will grow, and grow enormously. We never have neglected and never will neglect the dependent soldier, and there is no way to avoid Time's remorseless classifications.

Contemplating the tremendous liability, which the Government never will shirk, I would be remiss in my duty if I failed to ask Congress to pause at this particular time, rather than break down our treasury from which so much is later on to be expected. The defenders of the Republic amid the perils of war would be the last of our citizenship to wish its stability menaced by an individual pittance of peace.

I know the feelings of my own breast, and that of yours and the grateful people of this Republic. But no thoughtful person, possessed with all the facts, is ready for added compensation for the healthful, self-reliant masses of our great armies at the cost of a treasury breakdown which will bring its hardships to all the citizens of the Republic. Its enactment now in all probability would so add to our interest rates that the added interest charge on new and refunded indebtedness may alone exceed the sum it is proposed to bestow. When Congress was called in extraordinary session I called your attention to the urgent measures which I thought demanded your consideration. You promptly provided the emergency tariff, and good progress has been made toward the much-needed and more deliberate revision of our tariff schedules. There is confessed disappointment that so little progress has been made in the readjustment and reduction of the war-time taxes. I believe you share with me the earnest wish for early accomplishment.

It is not expected that Congress will sit and ignore other problems of legislation. There are often urgent problems which must enlist your attention. I have not come to speak of them, though the reorganization of the war risk and vocational training, now pending, would hasten the efficient discharge of our willing obligations to the disabled soldiers.

But I want to emphasize the suggestion that the accomplishment of the major tasks for which you were asked to sit in extraordinary session will have a reassuring effect on the entire country and speed our resumption of normal activities and their rewards which tend to make a prosperous and happy people.

SPECIAL MESSAGE TO CONGRESS

[Financial Problem of the Railroads]

THE WHITE HOUSE, *July 26, 1921.*

To the Senate and House of Representatives:

It is necessary to call the attention of Congress to the obligations of the Government to the railroads and ask your cooperation in order to enable the Government to discharge these obligations There is nothing new about them, but only recently has there come an understanding which seems well to justify a sincere endeavor to effect an early settlement. These obligations already have been recognized by the Congress in the passage of the Transportation Act restoring the railroads to their owners, but previous recognition was made in the contract under which the railroads were operated by the Government for the period of the World War.

The contract covering operation provided that the railways should be returned to their owners in as good condition as when taken over by the Government, and the Transportation Act, recognizing that betterments and additions belong to capital account, provided that such sums as the railway companies owed the Government for betterments and new equipment, added during the period of Government operation, might be funded. There has been at no time any question about the justice of funding such indebtedness to the Government. Indeed, it has been in progress to a measurable degree ever since the return of the railroads to their owners. It has been limited, however, to such cases as those in which final settlements with the Railway Administration have been effected. The process is admittedly too slow to meet the difficult situation which the owners of the railroads have been facing, and I believe it essential to restore railway activities and essential to the country's good fortune to hasten both funding and settlement.

Quite apart from the large sums owing to the Government, which we are morally and legally bound to fund, the Government admittedly owes the railway companies large sums on various accounts, such as compensation, depreciation, and maintenance. There has been a wide difference of opinion relating to the amount the Government owes, due in the main to the claim of the owners that in spite of materials and hours of labor being estimated in proper relations to similar expenditure in the prewar test period, the "inefficiency of labor" still left a wide difference between actual upkeep and the expenditure made during the Government operation.

In order to expedite settlement and funding, an informal understanding, which is all that is possible or practical, has been reached, under which the railway claims based on the "inefficiency of labor" are to be waived to hasten complete and final settlements, without surrender of any rights in court in case there is failure to settle. I have no doubt that early, final, and satisfactory settlements will be reached, since the policy of the Railway Administration already has been effective in finally settling the accounts of roads filing claims amounting to $225,568,764, resulting in the payment to them of $68,141,222.

The way now would seem to be clear to very early adjustment and relief, except for the fact that the Railway Administration, though possessing assets, does not command the funds necessary to meet with what will be its admitted obligations.

There is no thought to ask Congress for additional funds. Perhaps $500,000,000 will be necessary. The Railroad Administration has, or will have in the progress of funding, ample securities to meet all requirements if Congress only will grant the authority to negotiate these securities and provide the agency for their negotiation.

With this end in view, you are asked to extend the authority of the War Finance Corporation so that it may purchase these railway funding securities accepted by the Director General of Railroads. No added expense, no added investment is required on the part of the

Government; there is no added liability, no added tax burden. It is merely the grant of authority necessary to enable a most useful and efficient Government agency to use its available funds to purchase securities for which Congress already has authorized the issue, and turn them into the channels of finance ready to float them.

I can readily believe that so simple a remedy will have your prompt sanction. The question of our obligation cannot be raised, the wisdom of affording early relief is not to be doubted, and the avoidance of added appropriation or liability will appeal to Congress and the public alike.

The after-war distresses of two great and fundamental activities have been riveting the anxious attention of the country. One is the readjustment and restoration of agriculture; the other is the distress of our railway transportation system.

Pending proposals for relief and their discussion have already brought to the attention of Congress the very promising possibilities of broadening the powers of the War Finance Corporation for the further relief of agriculture and live-stock production. This corporation has proven itself so helpful in the relief thus far undertaken that I cannot help but believe that its broadened powers, as have been proposed to meet agricultural needs, will enable it wholly to meet the nation-wide emergency. This is an impelling moral obligation to American farming in all its larger aspects, and it will be most gratifying to have your early sanction.

In the case of the railroads there is a moral and a contractual obligation, and your favorable action is no less urgent and will no less appeal to public approval. Railway solvency and efficiency are essential to our healthful industrial, commercial, and agricultural life. Everything hinges on transportation.

After necessary and drastic curtailments, after harrowing straits in meeting their financial difficulties, the railways need only this financial aid which the fulfillment of our obligations will bestow to inaugurate their far-reaching revival. Its effects will be felt in varied industries and will banish to a large degree the depression which, though inevitable in war's aftermath, we are all so anxious to see ended.

I am appending herewith memoranda concerning the progress of railroad liquidation and revealing existing conditions which Congress will be interested to note while considering the simple remedy proposed for the relief of the situation. The information is submitted by the Director General of the Railroads.

WARREN G. HARDING.

EXECUTIVE ORDER

[Advisory Authority of Fine Arts Commission.]

THE WHITE HOUSE, *July 28, 1921.*

It is hereby ordered that essential matters relating to the design of medals, insignia and coins, produced by the executive departments, also the designs of statues, fountains and monuments, and all important plans for parks and all public buildings, constructed by executive departments or the District of Columbia, which in any essential way affect the appearance of the City of Washington, or the District of Columbia, shall be submitted to the Commission of Fine Arts for advice as to the merits of such designs before the executive officer having charge of the same shall approve thereof.

WARREN G. HARDING.

NOTES TO PANAMA

[Boundary Dispute Between Panama and Costa Rica.]

August 18, 1921.

The Government of the United States has received the note addressed by the Government of Panama, on August 6, to the American Minister in Panama, replying to the communication handed by the Minister on August 2 to the Government of Panama by instruction of the Government of the United States, in which were transmitted two requests of the Government of Costa Rica relating to the boundary dispute between the Republics of Panama and Costa Rica.

After the most careful consideration of the statements contained in the note of the Government of Panama above referred to, this Government has reached the conclusion that the arguments advanced in this communication have already been fully answered in previous notes addressed by the Government of the United States to the Government of Panama. It is greatly regretted that it has proved to be impossible for the Governments of Panama and Costa Rica to come to a direct agreement for the delimitation of that portion of the boundary between the two Republics laid down by the White Award. In view of the fact that the Government of Panama appears unwilling to carry out this delimitation in the manner provided in the Porras-Anderson Convention, and inasmuch as a reasonable time, mentioned in the note of this Government dated May 2, 1921, for the reaching of an agreement as to the manner of carrying out this delimitation, has already been afforded, there would seem to be no reason why the Government of the United States should, as the friendly mediator between the two Governments, or by virtue of its special relations to the Government of Panama, feel compelled to suggest to the Government of Costa Rica that it delay longer taking jurisdiction over the territory which is now occupied by Panama and which was adjudged to belong to Costa Rica by the terms of the Loubet Award.

The Government of the United States is now advised by the Government of Costa Rica that since it considers that the Porras-Anderson Convention is in force, and since it believes that there is no valid reason for delaying its complete execution any longer, it is ready to assume immediately the jurisdiction over the territory above referred to.

HUGHES.

[To the Panama Minister of Foreign Affairs.]

August 26, 1921.

I have the honor to acknowledge the receipt of Your Excellency's note of August 24, acknowledging the receipt of my notes addressed to Your Excellency under date of August 18 and August 23.

I have given careful consideration of the contents of Your Excellency's note under acknowledgment and I am unable to find that any of the statements made by Your Excellency require further comment from me, in view of the fact that this Government, acting in accord with its obligations by reason of its special relations to Panama, has fully considered all the questions in the controversy, but has found no escape from the conclusion that the Governments of Panama and Costa Rica are bound by the arbitral award which was rendered after exhaustive examination of the opposing contentions by the Chief Justice of the United States. Panama and Costa Rica engaged, in the most solemn manner, to abide by this award.

It is my earnest hope that the Government and people of Panama will realize that the Government of the United States has acted in this matter in the most sincere friendship, animated solely by the desire to do complete justice and with the profound conviction that the surest safeguard of independence and territorial integrity lies in the faithful observance of international obligations.

HUGHES.

By the President of the United States of America.

A PROCLAMATION

[Protection Against Domestic Violence in West Virginia.]

[After many months of bitter and sanguinary disputes between the coal miners and operators in the Mingo district of West Virginia, in the last days of August, 1921, several thousand armed miners from Mingo, Boone and Logan counties, and from across the border in Kentucky, began a march from Marmet to Mingo County. They were finally persuaded to disperse without a clash with the Federal troops.]

Whereas, the Governor of the State of West Virginia has represented that domestic violence exists in said State which the authorities of said State are unable to suppress; and

Whereas, it is provided in the Constitution of the United States that the United States shall protect each State in this Union, on application of the legislature, or of the executive when the legislature cannot be convened, against domestic violence; and

Whereas, by the law of the United States in pursuance of the above it is provided that in all cases of insurrection in any State, or of obstruction to the laws thereof, it shall be lawful for the President of the United States on application of the legislature of such State, or of the executive when the legislature cannot be convened, to call forth the militia of any other State or States, or to employ such part of the land and naval forces of the United States as shall be judged necessary for the purpose of suppressing such insurrection and causing the laws to be duly executed; and

Whereas, the legislature of the State of West Virginia is not now in session and cannot be convened in time to meet the present emergency, and the Executive of said State under Section 4 of Article IV of the Constitution of the United States and the laws passed in pursuance thereof, has made due application to me in the premises for such part of the military forces of the United States as may be necessary and adequate to protect the State of West Virginia and the citizens thereof against domestic violence and to enforce the due execution of the laws; and

Whereas, it is required that whenever it may be necessary, in the judgment of the President, to use the military forces of the United States for the purposes aforesaid he shall forthwith by proclamation command such insurgents to disperse and retire peaceably to their respective homes within a limited time;

Now, Therefore, I, Warren G. Harding, President of the United States, do hereby make proclamation and I do hereby command all persons engaged in said unlawful and insurrectionary proceedings to disperse and retire peaceably to their respective abodes on or before 12 o'clock noon of the 1st day of September, 1921, and hereafter abandon said combinations and submit themselves to the laws and constituted authorities of said State;

And I invoke the aid and cooperation of all good citizens thereof to uphold the laws and preserve the public peace.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington, this 30th day of August, in the year of our Lord one thousand nine hundred and twenty-one, and of the Independence of the United States the one hundred and forty-sixth.

[SEAL.] WARREN G. HARDING.

By the President:

CHARLES E. HUGHES, *Secretary of State.*

TREATIES OF PEACE WITH GERMANY, AUSTRIA AND HUNGARY

[The treaties were ratified by the Senate on October 18, 1921. The treaty with Germany was ratified by a vote of 66 (52 Republicans and 14 Democrats) to 20 (18 Democrats and 2 Republicans—Senators Borah and La Follette). The treaty with Austria was ratified by the same vote, and that with Hungary by vote of 66 to 17.]

THE WHITE HOUSE, *September 21, 1921.*

To the Senate: I transmit herewith to receive the advice and consent of the Senate to its ratification, a treaty between the United States and Germany, signed on August 25, 1921, to restore the friendly relations existing between the two Nations prior to the outbreak of war.

WARREN G. HARDING.

DEPARTMENT OF STATE, *September 19, 1921.*

THE PRESIDENT: The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to its ratification, if his judgment approve thereof, a treaty between the United States and Germany, signed on August 25, 1921, to restore the friendly relations existing between the two Nations prior to the outbreak of war.

Respectfully submitted,

CHARLES E. HUGHES.

GERMANY AND THE UNITED STATES OF AMERICA, Considering that the United States, acting in conjunction with its cobelligerents, entered into an armistice with Germany on November 11, 1918, in order that a treaty of peace might be concluded;

Considering that the treaty of Versailles was signed on June 28, 1919, and came into force according to the terms of its article 440, but has not been ratified by the United States;

Considering that the Congress of the United States passed a joint resolution approved by the President July 2, 1921, which reads, in part, as follows:

> "*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,* That the state of war declared to exist between the Imperial German Government and the United States of America by the joint resolution of Congress approved April 6, 1917, is hereby declared at an end.
>
> "SEC. 2. That in making this declaration, and as a part of it, there are expressly reserved to the United States of America and its nationals any and all rights, privileges, indemnities, reparations, or advantages, together with the right to enforce the same, to which it or they have become entitled under the terms of the armistice signed November 11, 1918, or any extensions or modifications thereof; or which were acquired by or are in the possession of the United States of America by reason of its participation in the war or to which its nationals have thereby become rightfully entitled; or which, under the treaty of Versailles, have been stipulated for its or their benefit; or to which it is entitled as one of the principal Allied and associated Powers; or to which it is entitled by virtue of any act or acts of Congress; or otherwise.
>
> * * * * * *
>
> "SEC. 5. All property of the Imperial German Government, or its successor or successors, and of all German nationals, which was, on April 6, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or any of its officers, agents, or employees, from any source or by any agency whatsoever, and all property of the Imperial and Royal Austro-Hungarian Government, or its successor or successors, and of all Austro-Hungarian nationals which was on December 7, 1917, in or has since that date come into the possession or under control of, or has been the subject of a demand by the United States of America or any of its officers, agents, or employees, from any source or by any agency whatsoever, shall be retained by the United States of America and no disposition thereof made, except as shall have been heretofore or specifically hereafter shall be provided by law until such time as the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have respectively made suitable provision for the satisfaction of all claims against said Governments, respectively, of all persons, wheresoever domiciled, who owe permanent allegiance to the United States of America and who have suffered through the acts of the Imperial German Government or its agents or the Imperial and Royal Austro-Hungarian Government or its agents, since July 31, 1914, loss, damage, or injury to their persons or property, directly or indirectly, whether through the ownership of shares of stock in German, Austro-Hungarian, American, or other corporations, or in consequence of hostilities or of any operations of war,

> or otherwise, and also shall have granted to persons owing permanent allegiance to the United States of America most-favored-nation treatment, whether the same be national or otherwise, in all matters affecting residence, business, profession, trade, navigation, commerce, and industrial property rights, and until the Imperial German Government and the Imperial and Royal Austro-Hungarian Government, or their successor or successors, shall have, respectively, confirmed to the United States of America all fines, forfeitures, penalties and seizures imposed or made by the United States of America during the war, whether in respect to the property of the Imperial German Government or German nationals or the Imperial and Royal Austro-Hungarian Government or Austro-Hungarian nationals, and shall have waived any and all pecuniary claims against the United States of America."

Being desirous of restoring the friendly relations existing between the two nations prior to the outbreak of war,

Have for that purpose appointed their plenipotentiaries:

The President of the German Empire,

Dr. Friedrich Rosen, Minister for Foreign Affairs, and

The President of the United States of America,

Ellis Loring Dresel, Commissioner of the United States of America to Germany,

Who, having communicated their full powers, found to be in good and due form, have agreed as follows:

ARTICLE I.

Germany undertakes to accord to the United States, and the United States shall have and enjoy, all the rights, privileges, indemnities, reparations, or advantages specified in the aforesaid joint resolution of the Congress of the United States of July 2, 1921, including all the rights and advantages stipulated for the benefit of the United States in the treaty of Versailles which the United States shall fully enjoy notwithstanding the fact that such treaty has not been ratified by the United States.

ARTICLE II.

With a view to defining more particularly the obligations of Germany under the foregoing article with respect to certain provisions in the treaty of Versailles, it is understood and agreed between the high contracting parties:

(1) That the rights and advantages stipulated in that treaty for the benefit of the United States, which it is intended the United States shall have and enjoy, are those defined in section 1, of Part IV, and Parts V, VI, VIII, IX, X, XI, XII, XIV, and XV.

The United States in availing itself of the rights and advantages stipulated in the provisions of that treaty mentioned in this paragraph will do so in a manner consistent with the rights accorded to Germany under such provisions.

(2) That the United States shall not be bound by the provisions of Part I of that treaty, nor by any provisions of that treaty including those mentioned in paragraph (1) of this article, which relate to the covenant of the League of Nations, nor shall the United States be bound by any action taken by the League of Nations or by the council or by the assembly thereof, unless the United States shall expressly give its assent to such action.

(3) That the United States assumes no obligations under or with respect to the provisions of Part II, Part III, sections 2 to 8, inclusive, of Part IV, and Part XIII of that treaty.

(4) That, while the United States is privileged to participate in the Reparation Commission, according to the terms of Part VIII of that treaty, and in

any other commission established under the treaty or under any agreement supplemental thereto, the United States is not bound to participate in any such commission unless it shall elect to do so.

(5) That the periods of time to which reference is made in article 440 of the treaty of Versailles shall run with respect to any act or election on the part of the United States from the date of the coming into force of the present treaty.

ARTICLE III.

The present treaty shall be ratified in accordance with the constitutional forms of the high contracting parties and shall take effect immediately on the exchange of ratifications, which shall take place as soon as possible at Berlin.

In witness whereof the respective plenipotentiaries have signed this treaty and have hereunto affixed their seals.

Done in duplicate in Berlin this 25th day of August, 1921.

[SEAL.] ROSEN.
[SEAL.] ELLIS LORING DRESEL

THE WHITE HOUSE, *September 21, 1921.*

To the Senate: I transmit herewith, to receive the advice and consent of the Senate to its ratification, a treaty between the United States and Austria, signed on August 24, 1921, to establish securely friendly relations between the two nations.

WARREN G. HARDING.

DEPARTMENT OF STATE, *September 20, 1921.*

THE PRESIDENT: The undersigned, the Secretary of State, has the honor to lay before the President, with a view to its transmission to the Senate to receive the advice and consent of that body to its ratification, if his judgment approve thereof, a treaty between the United States and Austria, signed on August 24, 1921, to establish securely friendly relations between the two nations. Respectfully submitted, CHARLES E. HUGHES.

THE UNITED STATES OF AMERICA AND AUSTRIA, Considering that the United States, acting in conjunction with its cobelligerents, entered into an armistice with Austria-Hungary on November 3, 1918, in order that a treaty of peace might be concluded;

Considering that the former Austro-Hungarian monarchy ceased to exist and was replaced in Austria by a republican Government;

Considering that the treaty of St. Germain-en-Laye, to which Austria is a party, was signed on September 10, 1919, and came into force according to the terms of its article 381, but has not been ratified by the United States;

Considering that the Congress of the United States passed a joint resolution approved by the President July 2, 1921, which reads in part as follows:

> "*Resolved by the Senate and House of Representatives of the United States of America in Congress assembled*, * * *
>
> "That the state of war declared to exist between the Imperial and Royal Austro-Hungarian Government and the United States of America by the joint resolution of Congress approved December 7, 1917, is hereby declared at an end.
>
> "SEC. 4. That in making this declaration and as a part of it there are expressly reserved to the United States of America and its nationals any and all rights, privileges, indemnities, reparations, or advantages, together

with the right to enforce the same, to which it or they have become entitled under the terms of the armistice signed November 3, 1918, or any extension or modifications thereof; or which were acquired by or are in the possession of the United States of America by reason of its participation in the war or to which its nationals have thereby become rightfully entitled; or which under the treaty of St. Germain-en-Laye or the treaty of Trianon have been stipulated for its or their benefit; or to which it is entitled as one of the principal Allied and associated Powers; or to which it is entitled by virtue of any act or acts of Congress or otherwise.

[Here is quoted Sec. 5 of the Resolution, as given in the treaty with Germany, *above*.]

Being desirous of establishing securely friendly relations between the two nations;

Have for that purpose appointed their plenipotentiaries; the President of the United States of America, Arthur Hugh Frazier, and the Federal President of the Republic of Austria, Johann Schober, who, having communicated their full powers, found to be in good and due form, have agreed as follows:

ARTICLE I.

Austria undertakes to accord to the United States, and the United States shall have and enjoy, all the rights, privileges, indemnities, reparations, or advantages specified in the aforesaid joint resolution of the Congress of the United States of July 2, 1921, including all the rights and advantages stipulated for the benefit of the United States in the treaty of St. Germain-en-Laye, which the United States shall fully enjoy notwithstanding the fact that such treaty has not been ratified by the United States. The United States, in availing itself of the rights and advantages stipulated in the provisions of that treaty, will do so in a manner consistent with the rights accorded to Austria under such provisions.

ARTICLE II.

With a view to defining more particularly the obligations of Austria under the foregoing article with respect to certain provisions in the treaty of St. Germain-en-Laye, it is understood and agreed between the high contracting parties:

(1) That the rights and advantages stipulated in that treaty for the benefit of the United States which it is intended the United States shall have and enjoy are those defined in Parts V, VI, VIII, IX, X, XI, XII, and XIV.

(2) That the United States shall not be bound by the provisions of Part I of that treaty, nor by any provisions of that treaty, including those mentioned in paragraph (1) of this article, which relate to the covenant of the League of Nations, nor shall the United States be bound by any action taken by the League of Nations or by the council or by the assembly thereof, unless the United States shall expressly give its assent to such action.

(3) That the United States assumes no obligations under or with respect to the provisions of Part II, Part III, Part IV, and Part XIII of that treaty.

(4) That while the United States is privileged to participate in the Reparation Commission, according to the terms of Part VIII of that treaty, and in any other commission established under the treaty or under any agreement supplemental thereto, the United States is not bound to participate in any such commission unless it shall elect to do so.

(5) That the periods of time to which reference is made in article 381 of the treaty of St. Germain-en-Laye shall run, with respect to any act or election on the part of the United States, from the date of the coming into force of the present treaty.

ARTICLE III.

The present treaty shall be ratified in accordance with the constitutional forms of the high contracting parties and shall take effect immediately on the exchange of ratifications, which shall take place as soon as possible at Vienna.

In witness whereof the respective plenipotentiaries have signed this treaty and have hereunto affixed their seals.

Done in duplicate in Vienna this 24th day of August, 1921.

[SEAL.] ARTHUR HUGH FRAZIER.
[SEAL.] SCHOBER.

[The text of the treaty with Hungary was similar to that of the treaty with Austria; even to the numbers of the articles specifically mentioned. In the case of Hungary, however, the treaty referred to was the Treaty of Trianon, signed on June 4, 1920, and coming into effect by its article 364, instead of the Treaty of St. Germain; and whereas the treaty with Austria mentions that the former Austro-Hungarian Monarchy was replaced in Austria by a republican Government, that with Hungary mentions that it was replaced in Hungary by a "national Hungarian Government." The treaty with Hungary was done in duplicate at Budapest on August 29, 1921, the United States representative being U. Grant Smith, Commissioner of the United States to Hungary, and the Hungarian, Count Nicholas Bánffy, Royal Hungarian Minister for Foreign Affairs.]

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

PROCLAMATIONS

Whereas, by a Joint Resolution of Congress, approved March 3, 1921, it was declared that certain Acts of Congress, joint resolutions and proclamations should be construed as if the war between the United States of America and the Imperial German Government had ended, but certain acts of Congress and proclamations issued in pursuance thereof were excepted from the operation of the said resolution;

Whereas, by a Joint Resolution of Congress, approved July 2, 1921, the state of war which was declared by the Joint Resolution of Congress approved April 6, 1917, to exist between the United States of America and the Imperial German Government was declared at an end;

Whereas, a treaty between the United States and Germany was signed at Berlin on August 25, 1921, to restore the friendly relations existing between the two nations prior to the outbreak of war, which treaty is word for word as follows:

[Here follows text of treaty as given above.]

And whereas, the said treaty has been duly ratified on both parts, and the ratifications of the two countries were exchanged at Berlin on November 11, 1921:

Now, therefore, be it known that I, Warren G. Harding, President of the United States of America, hereby proclaim that the war between the United States and Germany terminated on July 2, 1921, and cause the said treaty to be made public to the end that every article and clause thereof may be observed and fulfilled with good faith by the United States and the citizens thereof.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this fourteenth day of November, One Thousand Nine Hundred and Twenty-one, and of the Independence of the United States of America the One Hundred and Forty-sixth.

[SEAL.]

By the President:

CHARLES E. HUGHES, *Secretary of State.*

Whereas, by a Joint Resolution of Congress, approved March 3, 1921, it was declared that certain acts of Congress, joint resolutions and proclamations should be construed as if the war between the United States of America and the Imperial and Royal Austro-Hungarian Government had ended, but certain acts of Congress and proclamations issued in pursuance thereof were excepted from the operation of the said resolution;

Whereas, by a Joint Resolution of Congress, approved July 2, 1921, the state of war which was declared by the Joint Resolution of Congress approved December 7, 1917, to exist between the United States of America and the Imperial and Royal Austro-Hungarian Government was declared at an end;

Whereas, a treaty between the United States and Austria to establish friendly relations between the two nations was signed at Vienna an August 24, 1921, which treaty is word for word as follows:

[Here follows the text of the treaty as given above.]

And, whereas, the said treaty has been duly ratified on both parts, and the ratifications of the two countries were exchanged at Vienna on November 8, 1921;

Now, therefore, be it known that I, Warren G. Harding, President of the United States of America, hereby proclaim that the war between the United States and the Imperial and Royal Austro-Hungarian Government, which was declared by the said resolution of December 7, 1917, to exist, terminated on July 2, 1921, and cause the said treaty to be made public to the end that every article and clause thereof may be observed and fulfilled with good faith by the United States and the citizens thereof.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this seventeenth day of November, one thousand nine hundred and twenty-one, and of the [SEAL.] Independence of the United States of America the one hundred and forty-sixth. WARREN G. HARDING.

By the President:

CHARLES E. HUGHES, *Secretary of State.*

Whereas, a treaty between the United States and Hungary to establish securely friendly relations between the two nations was signed at Budapest on August 29, 1921, which treaty is word for word as follows:

[Here follows the text of the treaty.]

And, whereas, the said treaty has been duly ratified on both parts, and the ratifications of the two countries were exchanged at Budapest on December 17, 1921:

Now, therefore, be it known that I, Warren G. Harding, President of the United States of America, have caused the said treaty to be made public to the end that every article and clause thereof may be observed and fulfilled with good faith by the United States and the citizens thereof.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this twentieth day of December, in the year of our Lord one thousand nine hundred and twenty-one, and of the Independence of the United States of [SEAL.] America the one hundred and forty-sixth.

WARREN G. HARDING.

By the President:

CHARLES E. HUGHES, *Secretary of State.*

EXECUTIVE ORDER

[The Budget.]

THE WHITE HOUSE, *September 21, 1921.*

By virtue of the authority vested in me by the Budget and Accounting Act, 1921, approved June 10, 1921, I hereby prescribe the following rules and regulations with regard to the preparation and submission of the Budget and the conduct of the Bureau of the Budget:

Revision of the Estimates. Pursuant to the provisions of section 207 of the Budget and Accounting Act, the Bureau of the Budget, under the supervision of the Director and subject to review and determination by the President, shall assemble, revise, reduce or increase the estimates of the departments or establishments as submitted to the Bureau. The Director of the Budget shall determine the plan as to the contents, order and arrangement of the estimates. In increasing or decreasing the estimates of the appropriations necessary for any department or establishment he shall take into consideration any proper reduction in working forces, reduction in compensation, and the elimination of unnecessary activities. Estimates, however, in respect to the principal or interest of the public debt shall be subject to revision only with the concurrence of the Secretary of the Treasury. For the purpose of assisting the President with information in the formation of business policy for the Government the estimates of appropriations and of expeditures and receipts, when assembled and revised by the Bureau, shall be transmitted by the Director to the President as soon as possible after their receipt from the departments and establishments by the Bureau, in the form of a consolidated statement of estimated revenue and expenditure, with supporting schedules.

WARREN G. HARDING.

ADDRESS

[At the Opening of the Conference on Unemployment, Called by Secretary of Commerce Hoover, Washington, D. C., September 26, 1921.]

Ladies and Gentlemen of the Conference: It is a pleasure to express to you in advance of your labors the gratitude of the Government for your service to the nation. Perhaps it is not too much to say a service for the world. Not so very long since I was receiving the call of a distinguished foreigner, and in the course of our conversation he alluded to the conference which is met this morning and said: "Mr. President, our people are deeply interested in the American Conference on Unemployment, because our problem is akin to your own, and your relief in the United States will be an added signal of hope from America to us and other peoples who are like depressed."

That remark of a distinguished foreigner emphasized our responsibility. If it be true that no citizen is without example to some one among his fellows, which I believe to be everlastingly true, then nations, great and small, are influencing others in all they do.

You are invited together to consider a condition which is in nowise peculiar to the United States. The industrial depression which we are feeling is a war inheritance throughout the world. We saw humanity stressed in that production which is impelled by nations desperate in self-preservation. We saw the industrial call to arms which marshalled the family as well as the accustomed breadwinners, and we saw the spiritual, mental and physical might of the people cast in the scales measuring the might of the Republic. From such a test there is inevitable reaction. To such heights there is necessary ascent and inescapable descent. With the world involved, there is no escape for any of the world from the valleys of depression. Though we suffered less than many of those with whom we were associated, and less than any of those against whom we contended, it was inevitable that we should experience the fever's aftermath and come to know depression before we could become normal again.

Liquidation, reorganization, readjustment, reestablishment, taking account of things done and the sober contemplation of things to be done, the finding of firm ground and the open, sure and onward way—all these are a part of the inevitable, and he who thinks they might have been avoided by this plan or that, or this policy or that, or this international relationship or that, only hugs a delusion, when reason is needed for a safe council.

Even though the world's storehouses were depleted, at the same time the finances were unbalanced, and none was ready to store a war crop for the more deliberate consumption of peace. Momentarily there was elation, but it was not the glow of abiding health. We mistook elation for restoration; to-day we are met in realization. You have been summoned to counsel all America, to apply your knowledge and your experience in relieving a condition which concerns all America. Specifically, you are to deal with unemployment, to suggest the way of repairing the arterial circulation which is the very lifeblood of the Republic.

There is always unemployment. Under most fortunate conditions, I am told, there are a million and a half in the United States who are not at work. The figures are astounding only because we are a hundred millions, and this parasite percentage is always with us.

But there is excessive unemployment to-day, and we are concerned not alone about its diminution, but we are frankly anxious, under the involved conditions, lest it grow worse, with hardships of the winter season soon to be met.

I do not venture to quote the statisticians, whether the maximum figures are accurate or the minimum more dependable. Owing to the far swing from intensive endeavor and the effort to get down to solid foundations, coupled with the difficulty of readjusting expenditure—public, corporate and individual—from abnormal to normal, the problem of unemployment is the most difficult with which we are confronted.

But there are no problems affecting our national life and the welfare of the American people which we can not and will not solve. If we fail to-day, we will try again to-morrow. There has been vast unemployment before, and will be again. There will be depression after inflation, just as surely as the tides ebb and flow, but we can mitigate, we can shorten duration, we can commit all America to relief. And all America has never failed when committed to a common cause. If out of your counsels there comes a remedy which all America helpfully may apply to-day, it may be helpfully employed some time again when similar conditions are encountered.

It is fair to say that you are not asked to solve the long controverted problems of our special system. We have builded the America of to-day on the fundamentals of economic, industrial and political life which made us what we are, and the temple requires no remaking now. We are incontestably sound. We are constitutionally strong. We are merely depressed after the fever, and we want to know the way to speediest and dependable convalescence. When we know the way everybody in America, capital and labor, employer and employee, captains of industry and the privates in the trenches, will go over the top in the advance drive of peace. Frankly, it is difficult to know whether we have reached that bedrock to which reaction runs before the upward course begins, but here are representatives of the forces which make for all we are or ever can be, and your soundings ought to be reliable.

I would have little enthusiasm for any proposed relief which seeks either palliation or tonic from the public treasury. The excess of stimulation from that source is to be reckoned a cause of trouble rather than a source of cure. We should achieve but little in a remedial way if we continued to excite a contributing cause.

It is not my thought to suggest your lines of conference. Mr. Hoover, the Secretary of Commerce, to whom has been committed the arrangements for this important meeting, will present the agenda. I have wished to say to you that the people of the United States are very deeply interested, not alone the unemployed but all who are concerned for our common weal, and the world is looking on to find helpfulness in our American example. Fundamentally sound, financially strong, industrially unimpaired, commercially consistent, and politically unafraid, there ought to be work for everybody in the United States who chooses to work, and our condition at home and our place in the world depends on everybody going to work and pursuing it with that patriotism and devotion which makes for a fortunate and happy people.

STATEMENT ON THE CONFERENCE

THE WHITE HOUSE, *October 3, 1921.*

The conference which I recently summoned to Washington to advise as to the unemployment situation has demonstrated that an unusual volume of unemployment exists, and that pending the recuperation of trade the situation cannot be met, in due regard to our obligations and necessities, without a much more than usual organization throughout those states and municipalities where unemployment has reached considerable proportions.

The conference has recommended a plan of organization which has had the support of commercial, manufacturing, professional and labor representatives of the country. It is highly necessary that more accurate knowledge should be had through such organization of the volume and necessities of the unemployed. It is essential that the cooperation of all sections of each community should be brought into action behind such organization to provide work and assistance that we may pass through the coming winter without great suffering and distress.

It is of national importance that every community should at once undertake such organization in order that the nation may be protected as a whole. Moreover, the thorough commitment to such a task is sure to start a thousand activities which will add to our common welfare.

I therefore appeal to the Governors and Mayors of the nation that they should take the steps recommended by the conference.

In order that there may be unity of action by all the forces which may be brought to bear, whether governmental or private, the unemployment conference is establishing an agency in Washington through which appropriate cooperation can be promoted and through which reports on progress and suggestions may be given general circulation and cooperation. I trust this agency will be supported in this endeavor.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

PROCLAMATIONS

[Fire Prevention Day.]

Whereas, the United States suffers through destruction by fire an annual loss of life estimated at 15,000 human beings, most of them women and children, and

Whereas, in the face of the world's dire need for American products our fire losses increased during 1920 to over $500,000,000, and during the previous five-year period totaled over $1,416,375,000—buildings, foodstuffs and other created wealth needlessly wiped out of existence—and

Whereas, in addition to the above, forest fires, during the five years ended with 1920, further reduced our diminishing timber resources by a total of over $85,000,000, also threatening with aridity over 56,000,000 acres of hitherto productive woodland, and

Whereas, most of our fire losses are due to carelessness and ignorance and may be easily prevented by increased care and education on the part of citizens:

Therefore, I, Warren G. Harding, President of the United States, do urge upon the Governors of the various States to designate and set apart October 10th, 1921—anniversary of the Chicago fire—as Fire Prevention Day, with these principal objects in view, to wit:

To request the citizens of their States to plan for that day and period, through pulpit, through open forum and through the schools, such instructive and educational exercises as shall impress the public mind with the calamitous effects and threatened economic disaster of such unnecessary fire waste;

To urge, as an everyday duty of citizenship, individual and collective efforts in conserving our country's natural and created resources, and

To promote systematic instruction in fire prevention in our schools, constant observance of the ordinary precautions that safeguard us from fires, and orderliness in home and community, that we may overcome this lurking peril.

Fire is a danger that never sleeps.

In witness whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

Done in the City of Washington this twenty-seventh day of September, in the year of our Lord one thousand nine hundred and [SEAL.] twenty-one, and of the Independence of the United States, the one hundred and forty-sixth.

WARREN G. HARDING.

By the President:

CHARLES E. HUGHES, *Secretary of State.*

[Armistice Day.]

Whereas, the Congress of the United States, by a concurrent resolution adopted on the fourth day of March last, authorized the Secretary of War to cause to be brought to the United States the body of an American, who was a member of the American Expeditionary Forces in Europe, who lost his life during the World War and whose identity has not been established, for burial in the Memorial Amphitheatre of the National Cemetery at Arlington, Virginia;

And Whereas, the remains of this unknown American to be brought to the United States, in pursuance of the said concurrent resolution, will be buried in the said Memorial Amphitheatre at Arlington on the eleventh day of November next;

And Whereas, these remains will be representative of all unidentified American dead who in the World War gave their lives in their country's cause;

And Whereas, it is desired that grateful recognition of their loyal devotion to country and of their sacrifice should be appropriately shown with due solemnity by their God-fearing and patriotic fellow countrymen:

Now, therefore, I, Warren G. Harding, President of the United States of America, do hereby call upon all devout and patriotic citizens of the United States to pause from their accustomed occupations and labors on Friday the eleventh day of November next from twelve o'clock noon to two minutes past that hour for a period of silent prayer of thanks to the Giver of all good for these valuable and valorous lives and of supplication for His Divine mercy and for His blessings upon our beloved country.

Furthermore, I hereby direct that the National Flag be displayed at half staff upon all the public buildings of the United States and all stations of the Army, Navy and Marine Corps throughout the world, as well as upon all American embassies, legations and consulates, from sunrise until sunset, on November the eleventh, 1921.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done in the City of Washington this thirtieth day of September in the year of our Lord one thousand nine hundred and twenty-one and of the Independence of the United States of America the one hundred and forty-sixth.

[SEAL.]

WARREN G. HARDING.

By the President:

CHARLES E. HUGHES, *Secretary of State.*

[Death of the Honorable Philander Chase Knox.]

To the People of the United States:

It is my distressing duty to announce to the People of the United States the death of Philander Chase Knox, a Senator from the State of Pennsylvania, and formerly Attorney General and Secretary of State of the United States, which occurred at his residence in Washington on the 12th instant.

In his death his State has lost a most valuable and faithful servant, and his country one of its greatest statesmen. His good judgment, wise discrimination and keen perception eminently fitted him for the legal profession. Admitted to the bar in 1875, he early became recognized as one of the foremost lawyers of his State. Twice honored by the Commonwealth of Pennsylvania by election to the Senate of the United States, he took, by his wise counsel, a prominent part in the framing of our laws and in the direction of our foreign policy. As Attorney General of the United States he rendered opinions noted for their legal ability. As Secretary of State, while guided by the principle to deal justly with all nations, his conduct of our foreign relations was ever marked by a devotion to the best interests of his country.

His private life was characterized by virtues worthy of emulation by all American citizens.

As an expression of the national sorrow at his death and in recognition of his valuable services to his country, his devotion to the public interests and his exalted patriotism, I do hereby direct that the National Flag be displayed at half staff on the Executive Offices of the United States on the day of his funeral, and that on all the embassies, legations and consulates of the United States in foreign countries the National Flag shall be displayed at half staff for ten days from the receipt of this Proclamation.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this thirteenth day of October in the year of our Lord one thousand nine hundred and twenty-one, [SEAL.] and of the Independence of the United States of America the one hundred and forty-sixth.

WARREN G. HARDING.

By the President:

CHARLES E. HUGHES, *Secretary of State.*

EXECUTIVE ORDER

[World War Veterans' Preference in Civil Service Examinations.]

THE WHITE HOUSE, *October 14, 1921.*

While the appointment of Presidential postmasters is not within the legal scope of the civil service law and, therefore, as a matter of law, no "preference" is applicable thereto, yet, in order that those young men and women who served in the World War, having their scholastic and business experience intercepted and interrupted thereby, may not suffer any disadvantage in the competition for such postmasterships, I direct the Civil Service Commission, in rating the examination papers of such candidates, to add to their earned ratings five points and to make certification to the Postmaster General in accordance with their relative positions thus acquired.

I further direct that the time such candidates were in the service during the World War may be reckoned by the Commission in making up the required length of business experience; and that all age limitations be waived.

WARREN G. HARDING.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

PROCLAMATIONS

[Thanksgiving—1921.]

That season has come when, alike in pursuance of a devout people's time-honored custom and in grateful recognition of favoring national fortunes, it is proper that the President should summon the nation to a day of devotion, of thanksgiving for blessings bestowed, and of prayer for guidance in modes of life that may deserve continuance of Divine favor.

Foremost among our blessings is the return of peace, and the approach to normal ways again. The year has brought us again into relations of amity with all nations, after a long period of struggle and turbulence. In thankfulness therefor, we may well unite in the hope that Providence will vouchsafe approval to the things we have done, the aims which have guided us, the aspirations which have inspired us. We shall be prospered as we shall deserve prosperity, seeking not alone for the material things but for those of the spirit as well; earnestly trying to help others; asking, before all else, the privilege of service. As we render thanks anew for the exaltation which came to us, we may fittingly petition that moderation and wisdom shall be granted to rest upon all who are in authority, in the tasks they must discharge. Their hands will be steadied, their purposes strengthened, in answer to our prayers.

Ours has been a favored nation in the bounty which God has bestowed upon it. The great trial of humanity, though indeed we bore our part as well as we were able, left us comparatively little scarred. It is for us to recognize that we have been thus favored, and when we gather at our altars to offer up thanks, we will do well to pledge, in humility and all sincerity, our purpose to prove deserving. We have been raised up and preserved in national power and consequence as part of a plan whose wisdom we can not question. Thus believing, we can do no less than hold our nation the willing instrument of the Providence which has so wonderfully favored us. Opportunity for very great service awaits us if we shall prove equal to it. Let our prayers be raised for direction in the right paths. Under God, our responsibility is great; to our own first, to all men afterward; to all mankind in God's own justice.

Now, therefore, I, Warren G. Harding, President of the United States of America, hereby designate Thursday, the twenty-fourth day of November, to be observed by the people as a day of Thanksgiving, devotion and prayer; urging that at their hearthsides and their altars they will give thanks for all that has been rendered unto them, and will pray for a continuance of the Divine fortune which has been showered so generously upon this nation.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this thirty-first day of October in the year of our Lord one thousand nine hundred and twenty-one, and of the Independence of the United States of America the one hundred and forty-sixth.

[SEAL.]

WARREN G. HARDING.

By the President:

CHARLES E. HUGHES, *Secretary of State.*

[Declaring Armistice Day, 1921, a Legal Public Holiday.]

Whereas, a Joint Resolution of Congress, approved November 4, 1921, "To declare November 11, 1921, a legal public holiday" provides as follows:

> Whereas, Armistice Day, November 11, 1921, has been designated as the appropriate time for the ceremonies incident to the burial of the unknown and unidentified American soldier in the Arlington National Cemetery; and
>
> Whereas, this unknown soldier represents the manhood of America who gave their lives to defend its integrity, honor and tranquility against an enemy; and
>
> Whereas, the nations of the earth are on that date joining with the United States in paying respect and homage to this unknown soldier; Therefore be it
>
> Resolved, by the Senate and House of Representatives of the United States of America in Congress assembled, that the President is hereby authorized to issue a proclamation declaring November 11, 1921, a holiday, as a mark of respect to the memory of those who gave their lives in the late World War, as typified by the unknown and unidentified American soldier who is to be buried in Arlington National Cemetery on that day; and the President is respectfully requested to recommend to the Governors of the various States that proclamations be issued by them calling upon their people to pause in their usual pursuits as a mark of respect on this solemn occasion.

Now, therefore, I, Warren G. Harding, President of the United States of America, in pursuance of the said Joint Resolution of Congress, do hereby declare November 11, 1921, a holiday, as a mark of respect to the memory of those who gave their lives in the late World War, as typified by the unknown and unidentified American soldier who is to be buried in Arlington National Cemetery on that day; and do hereby recommend to the Governors of the several States that proclamations be issued by them calling upon the people of their respective States to pause in their usual pursuits as a mark of respect on this solemn occasion.

And, in order that the solemnity of the occasion may be further emphasized, I do hereby furthermore recommend that all public and church bells throughout the United States be tolled at intervals between 11:45 o'clock a. m. and 12 o'clock noon of the said day, and that from 12 o'clock noon to two minutes past that hour, Washington time, all devout and patriotic citizens of the United States indulge in a period of silent thanks to God for these valuable valorous lives and of supplication for His Divine mercy and for His blessings upon our beloved country.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this fourth day of November in the year of our Lord one thousand nine hundred and twenty-one [SEAL.] and of the Independence of the United States of America the one hundred and forty-sixth.

WARREN G. HARDING.

By the President:

CHARLES E. HUGHES, *Secretary of State.*

EXECUTIVE ORDERS

[Manner of Dating Proclamations, Commissions, and Similar Executive Documents.]

THE WHITE HOUSE, *November 8, 1921.*

Hereafter the recital immediately preceding the President's signature in proclamations, commissions, and other formal documents of like nature shall be in the following form:

Done at the City of Washington this..........day of.........., in the year of our Lord................., and of the Independence of the United States of America the.....................

This order is issued to establish uniformity in the several Departments in the language used in these documents, and to restore the form which prevailed from the time the Government was established in this city, except for a brief period, when they were dated from the District of Columbia instead of the City of Washington. In the interest of economy, however, the supply of forms now on hand in the Departments may be used.

The Secretary of State will bring this order to the attention of the several Departments in Washington and he may, also, supplement it with suggestions for general uniformity in proclamations and executive orders.

WARREN G. HARDING.

[Preparation and Submission of the Budget.]

THE WHITE HOUSE, *November 8, 1921.*

I hereby prescribe the following rules and regulations with regard to the preparation and submission of the Budget and the conduct of the Bureau of the Budget.

Revision of the Estimates. Pursuant to the provisions of section 207 of the Budget and Accounting Act, the Bureau of the Budget, under the supervision of the Director and subject to review and determination by the President, shall assemble, revise, reduce or increase the estimates of the departments or establishments as submitted to the Bureau. The Director of the Budget shall determine the plan as to the contents, order and arrangements of the estimates. In increasing or decreasing the estimates of the appropriations necessary for any department or establishment he shall take into consideration any proper reduction in working forces, reduction in compensation, and the elimination of unnecessary activities. Estimates, however, in respect to the principal or interest of the public debt shall be subject to revision only with the concurrence of the Secretary of the Treasury. For the purpose of assisting the President with information in the formation of business policy for the Government the estimates of appropriations and of expenditures and receipts, when assembled and revised by the Bureau, shall be transmitted by the Director to the President as soon as possible after their receipt from the departments and establishments by the Bureau, in the form of a consolidated statement of estimated revenue and expenditure, with supporting schedules.

2. Concurrently with the transmission of the estimates by the Director of the Bureau of the Budget to the President, the Secretary of the Treasury shall transmit a statement, for the information of the President, showing, from the point of view of the Treasury, the relation between the estimated appropriations and expenditures and the estimated receipts of the Government. This statement shall contain all necessary memoranda and tables, together with such other comments as may be pertinent to the subject matter of the Budget, including suggestions and recommendations as to how the revenue needs of the Government may be met. The Secretary of the Treasury shall, at the same time, prepare and transmit to the President, for incorporation in the budget, the figures for the actual expenditures

of the Government for the last completed fiscal year, the figures for the actual and estimated receipts for the last, the current and the ensuing fiscal years, required by sub-divisions (b), (c), and (d) of section 201 of the Budget and Accounting Act, and also the financial statements required by the provisions of sub-divisions (f), (g), and (h) of the same section. The Secretary of the Treasury shall, if the estimated receipts for the ensuing fiscal year, on the basis of laws existing at the time the budget is transmitted, plus the estimated amounts in the Treasury at the close of the fiscal year in progress available for expenditure in the ensuing fiscal year, are less than the estimated expenditures for the ensuing fiscal year, make recommendations to the President for new taxes, loans, or other appropriate action to meet the estimated deficiency. If, on the other hand, the aggregate of such estimated receipts and such estimated amounts in the Treasury is greater than such estimated expenditures for the ensuing fiscal year, the Secretary, for the information of the President, shall make such recommendations and suggest such financial measures as in his opinion the public interest may require. The Director of the Budget shall make available to the Secretary of the Treasury at his request any information in the possession of the Bureau or any of its employees in respect to the receipts and expenditures of the Government and any other matters that may be pertinent to the business of the Treasury. The Secretary of the Treasury shall make available to the Director of the Budget at his request any information in the possession of the Treasury or any of its employees in respect to the receipts and expenditures of the Government and any other matters that may be pertinent to the business of the Budget.

3. The Director of the Budget, in gathering information for the use of the President, acts for the President, and his calls upon the Chiefs of Bureaus and other Administrative Officers for purposes of consultation or information take precedence over the Cabinet Head of a Department, or any head of an independent organization.

4. The Budget Officer in each department, being appointed by the Cabinet head, will present to the Director of the Budget the views of the Cabinet head upon the wisdom of conclusions drawn by the Director of the Budget, for the use of the Chief Executive and Congress; but, as in the case of Bureau Chiefs and other officers, the call of the Director of the Budget for their presence and advice takes precedence over the Cabinet head.

5. The coordinating agencies established by the Executive are for the purpose of enabling the President, in matters of routine business, to so coordinate the activities of the different departments and establishments as will insure the most economical and efficient expenditure

of moneys appropriated by Congress. They provide the machinery through which, with the minimum of obstruction and delay, the Executive may impose a unified plan of governmental routine business. The Director of the Bureau of the Budget shall have general supervision over the work of the coordinating agencies heretofore created by Executive Order, subject to such instructions as may hereafter be issued by the President.

6. The Chief Coordinator, General Supply, appointed under the provisions of Executive Order of July 27, 1921, shall exercise general supervision, subject to the Director of the Budget, over the coordination of the routine business activities of the governmental organization, with particular attention to methods of purchasing, liquidation of supplies, specification of materials, advertising, warehousing, employment, manufacturng, disbursing and other ordinary business activities of the Government.

7. The decision of the Chief Coordinator, in all matters of coordination, shall be transmitted to the heads of departments or independent establishments concerned and shall be final, except that such heads may appeal to the Director of the Budget within four days after the receipt of notice of the coordinating order, and if not sustained by the Director of the Budget may appeal to the President of the United States within six days after the decision of the Director of the Budget. If such appeal is not taken or is not sustained the decision in question shall stand, and shall be published to those affected by the heads of the departments concerned.

8. The heads of departments and subordinate officials will retain all present responsibility with respect to individual business transactions, subject to such policies as may be imposed in the manner indicated above.

9. All persons heretofore or hereafter appointed to duty under the Chief Coordinator, either in Washington or in the Corps Areas of the country, shall be regarded as so appointed or detailed by the President of the United States, and they shall not be subject to reassignment by department heads except as authorized by Executive Order. Such persons shall not be required to submit any report to any department except such as may be required as to their location or assignment or for purposes of pay, the intention being to prevent any interference with their direct responsibility to the President of the United States and his agents, the Director of the Budget and the Chief Coordinator. The above does not apply to departmental representatives on the various coordinating boards, and, in case of those detailed to coordinating duty in addition to other duties, it applies only with respect to such coordinating duty.

10. All Bureau chiefs and employees of the executive Government are directed to furnish any available information desired for purposes of coordination, or to attend any conference on coordination, at the request of the Chief Coordinator. It shall not be necessary for any duly authorized representative of the Director of the Budget, of the Chief Coordinator or any coordinating authority established by Executive Order, to secure the approval of the head of a department or military or naval authority of a request for information for use in connection with the activities of the coordinating bodies. The duly authorized agents of the Director of the Budget, of the Chief Coordinator, or of the coordinating boards, shall have access to all books and papers of the various departments and independent establishments which contain any information pertinent to the subject under consideration for coordination.

11. All departments and establishments must be so organized for the transaction of matters of routine business as to facilitate their proper cooperation with the general coordinating agencies. Where the existing form of the organization of the routine business of the departments and establishments, or the form of reorganization suggested by the head of the department or establishment does not, in the judgment of the Director of the Bureau of the Budget, properly meet the requirements of the situation, the Director of the Bureau of the Budget shall recommend to the President the form which, in his judgment, such departmental organization should take to that end. In his final determination of the form of organization the President will then consider the recommendations of the department head or head of the independent establishment concurrently with those of the Director of the Budget.

12. All coordinating agencies made subject by Executive Order to the supervision of the Director of the Budget shall make quarterly reports to him of their activities for transmission by him to the President.

WARREN G. HARDING.

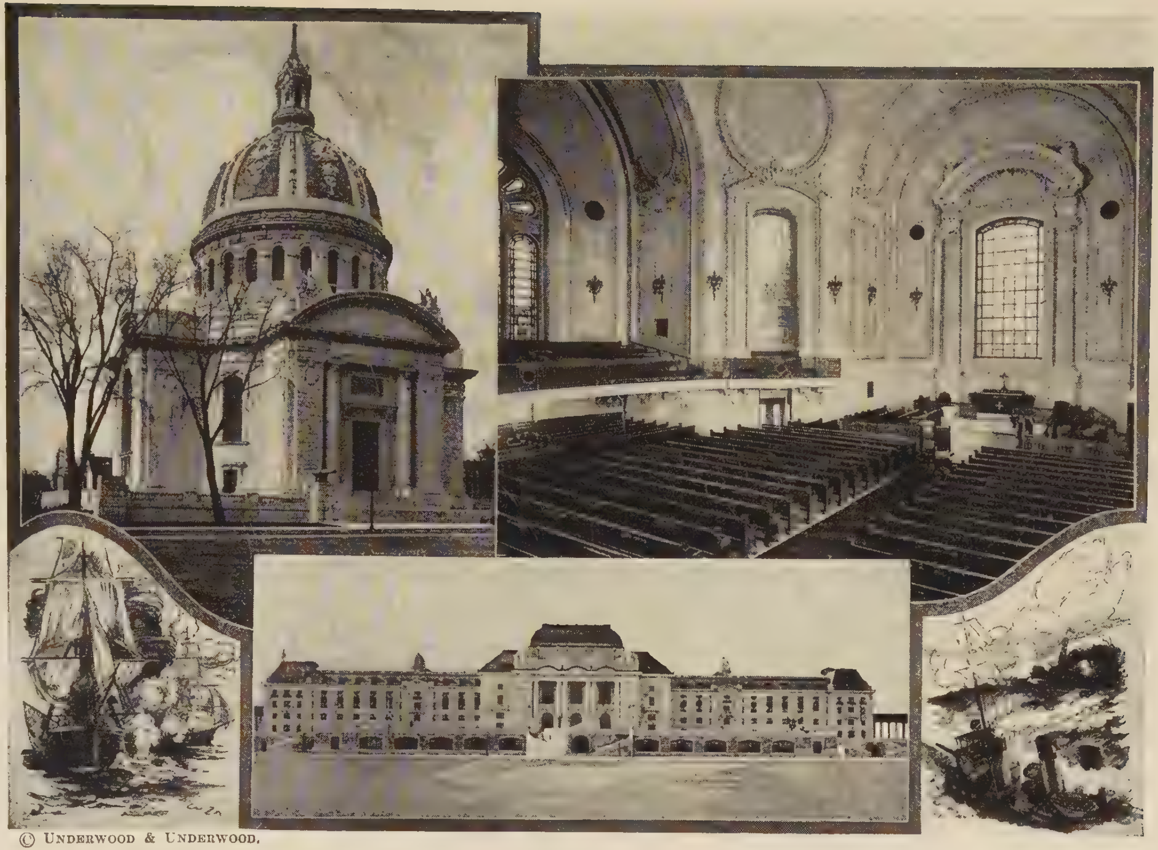
ADDRESS

[At the Burial of an Unknown American Soldier, Arlington Cemetery, November 11, 1921.]

Mr. Secretary of War and Ladies and Gentlemen:

We are met today to pay the impersonal tribute. The name of him whose body lies before us took flight with his imperishable soul. We know not whence he came, but only that his death marks him with the everlasting glory of an American dying for his country.

He might have come from any one of millions of American homes.



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VIEWS OF THE UNITED STATES NAVAL ACADEMY AT ANNAPOLIS

NAVAL ACADEMY, ANNAPOLIS.

The reader of the sketch in the Encyclopedic Index (under Naval Academy) of the development of the institution in which the United States trains young men to be officers in its navy, will understand why the large hall in the preceding picture was named Bancroft Hall, after Secretary of the Navy George Bancroft.

The discovery of the remains of John Paul Jones and the need for the crypt to house them which is shown on the preceding page are told and discussed on pages 6945 and 7531. A painting of one of John Paul Jones's notable sea victories for the United States is reproduced opposite page 346. The other view shows the interior of the chapel.

No President has been more keenly interested in the work done at the Naval Academy than Theodore Roosevelt. His discussion of the courses of study there will be found on page 7117. On page 6937 he gives his reasons for returning to the Academy certain cadets who had been suspended for hazing.

What the country expects of its young men trained at the Naval Academy is well typified by President Wilson's address to one of its graduating classes, which begins on page 7949.

Some mother gave him in her love and tenderness, and with him her most cherished hopes. Hundreds of mothers are wondering today, finding a touch of solace in the possibility that the nation bows in grief over the body of one she bore to live and die, if need be, for the Republic. If we give rein to fancy, a score of sympathetic chords are touched, for in this body there once glowed the soul of an American, with the aspirations and ambitions of a citizen who cherished life and its opportunities. He may have been a native or an adopted son; that matters little, because they glorified the same loyalty, they sacrificed alike.

We do not know his station in life, because from every station came the patriotic response of the five millions. I recall the days of creating armies, and the departing of caravels which braved the murderous seas to reach the battle lines for maintained nationality and preserved civilization. The service flag marked mansion and cottage alike, and riches were common to all homes in the consciousness of service to country.

We do not know the eminence of his birth, but we do know the glory of his death. He died for his country, and greater devotion hath no man than this. He died unquestioning, uncomplaining, with faith in his heart and hope on his lips, that his country should triumph and its civilization survive. As a typical soldier of this representative democracy, he fought and died, believing in the indisputable justice of his country's cause. Conscious of the world's upheaval, appraising the magnitude of a war the like of which had never horrified humanity before, perhaps he believed his to be a service destined to change the tide of human affairs.

In the death gloom of gas, the bursting of shells and rain of bullets, men face more intimately the great God over all, their souls are aflame, and consciousness expands and hearts are searched. With the din of battle, the glow of conflict, and the supreme trial of courage, come involuntarily the hurried appraisal of life and the contemplation of death's great mystery. On the threshold of eternity, many a soldier, I can well believe, wondered how his ebbing blood would color the stream of human life, flowing on after his sacrifice. His patriotism was none less if he craved more than triumph of country; rather, it was greater if he hoped for a victory for all human kind. Indeed, I revere that citizen whose confidence in the righteousness of his country inspired belief that its triumph is the victory of humanity.

This American soldier went forth to battle with no hatred for any people in the world, but hating war and hating the purpose of every war for conquest. He cherished our national rights, and abhorred the threat of armed domination; and in the maelstrom of destruction and suffering and death he fired his shot for liberation of the captive conscience of the world. In advancing toward his objective was somewhere a thought of a world awakened; and we are here to testify undying gratitude and reverence for that thought of a wider freedom.

On such an occasion as this, amid such a scene, our thoughts alternate between defenders living and defenders dead. A grateful Republic will be worthy of them both. Our part is to atone for the losses of heroic dead by making a better Republic for the living.

Sleeping in these hallowed grounds are thousands of Americans who have given their blood for the baptism of freedom and its maintenance, armed exponents of the nation's conscience. It is better and nobler for their deeds. Burial here is rather more than a sign of the Government's favor, it is a suggestion of a tomb in the heart of the nation, sorrowing for its noble dead.

Today's ceremonies proclaim that the hero unknown is not unhonored. We gather him to the nation's breast, within the shadow of the Capitol, of the towering shaft that honors Washington, the great father, and of the exquisite monument to Lincoln, the martyred savior. Here the inspirations of yesterday and the conscience of today forever unite to make the Republic worthy of his death for flag and country.

Ours are lofty resolutions today, as with tribute to the dead we consecrate ourselves to a better order for the living. With all my heart, I wish we might say to the defenders who survive, to mothers who sorrow, to widows and children who mourn, that no such sacrifice shall be asked again.

It was my fortune recently to see a demonstration of modern warfare. It is no longer a conflict in chivalry, no more a test of militant manhood. It is only cruel, deliberate, scientific destruction. There was no contending enemy, only the theoretical defense of a hypothetic objective. But the attack was made with all the relentless methods of modern destruction. There was the rain of ruin from the aircraft, the thunder of artillery, followed by the unspeakable devastation wrought by bursting shells; there were mortars belching their bombs of desolation; machine guns concentrating their leaden storms; there was the infantry, advancing, firing, and falling—like men with souls sacrificing for the decision. The flying missiles were revealed by illuminating tracers, so that we could note their flight and appraise their deadliness. The air was streaked with tiny flames marking the flight of massed destruction; while the effectiveness of the theoretical defense was impressed by the simulation of dead and wounded among those going forward, undaunted and unheeding. As this panorama of unutterable destruction visualized the horrors of modern conflict, there grew on me the sense of the failure of a civilization which can leave its problems to such cruel arbitrament. Surely no one in authority, with human attributes and a full appraisal of the patriotic loyalty of his countrymen, could ask the manhood of kingdom, empire, or republic to make such sacrifice until all reason had failed, until appeal to justice through understanding had been denied, until every effort of love and consideration for fellow men had been exhausted, until freedom itself and inviolate honor had been brutally threatened.

I speak not as a pacifist fearing war, but as one who loves justice and hates war. I speak as one who believes the highest function of government is to give its citizens the security of peace, the opportunity to achieve, and the pursuit of happiness.

The loftiest tribute we can bestow today—the heroically earned tribute—fashioned in deliberate conviction, out of unclouded thought, neither shadowed by remorse nor made vain by fancies, is the commitment of this Republic to an advancement never made before. If American achievement is a cherished pride at home, if our unselfishness among nations is all we wish it to be, and ours is a helpful example in the world, then let us give of our influence and strength, yea, of our aspirations and convictions, to put mankind on a little higher plane, exulting and exalting, with war's distressing and depressing tragedies barred from the stage of righteous civilization.

There have been a thousand defenses justly and patriotically made; a thousand offenses which reason and righteousness ought to have stayed. Let us beseech all men to join us in seeking the rule under which reason and righteousness shall prevail.

Standing today on hallowed ground, conscious that all America has halted to share in the tribute of heart and mind and soul to this fellow American, and knowing that the world is noting this expression of the Republic's mindfulness, it is fitting to say that his sacrifice, and that of the millions dead, shall not be in vain. There must be, there shall be, the commanding voice of a conscious civilization against armed warfare.

As we return this poor clay to its mother soil, garlanded by love and covered with the decorations that only nations can bestow, I can sense the prayers of our people, of all peoples, that this Armistice Day shall mark the beginning of a new and lasting era of peace on earth, good will among men. Let me join in that prayer.

Our Father who are in heaven, hallowed be Thy name. Thy kingdom come, Thy will be done on earth, as it is in heaven. Give us this day our daily bread, and forgive us our trespasses as we forgive those who trespass against us. And lead us not into temptation, but deliver us from evil, for Thine is the kingdom, and the power, and the glory, forever. Amen.

LETTER

[The Higher Surtax Rates on Incomes.]

THE WHITE HOUSE, *November 17, 1921.*

My dear Mr. Fordney:

In response to your inquiry as to the wisest course in dealing with the difference between the two Houses of Congress in the matter of higher surtax on incomes, I can say only that in view of our earlier conference on tax matters and the ultimate adoption of the higher surtax rate of 32 per cent, I still believe the rate approved by the House to be the nearer to a just levy and the more promising one in returns to the public treasury.

The responsible administration is anxious, first of all, to lay the necessary taxes to meet the demands of the Treasury. There is a moral obligation, however, on the party in power to do everything possible to keep faith with promises made to the public.

We have been collecting the highest surtax on incomes levied at this time in all the world. The effect has been the restriction of the easy flow of capital in the channels most essential to our normal and very necessary activities. No one challenges the levy of the higher tax in the stress of war, but now we are struggling for the readjustments of peace.

Where there is so wide a difference in the judgment of the two Houses, I have thought it might be possible, and wholly desirable, to reach an equitable compromise, say a maximum surtax levy of 40 per cent. This would put the higher Federal tax on incomes at a total of 48 per cent, which would measurably meet the expectations of those who are, above all else, concerned with the return of hopeful investment of capital, and the application of our capital resources to profitable productivity. I am wholly confident that the helpful results spreading therefrom to every active participant in our industrial and economic life, from management to every wage earner, would be vastly more advantageous to our people than the maintenance of war-time levies as peace-time penalties on capital, which are certain to hamper the restoration of our activities for which we all so much hope.

One experience will afford a convincing illustration. In seeking to hasten the railway settlements growing out of Federal control, I authorized the Director General to invite the cooperation of the War Finance Corporation to convert salable securities into the cash needed for the settlements in process of making. During the period of public belief in a 32 per cent surtax as provided by the House, the sale of these bills receivable was progressing in a most promising way. Indeed, we had converted more than a hundred millions of railway notes into ready cash. The very moment the higher surtax became a likely levy, those conversions ceased entirely. Manifestly the prohibitive surtax tends to divert our available and much-needed capital from employment in our everyday activities to investment in tax-free securities. The records show that it is making a continued diminution in our receipts from income taxes and it is making more difficult the normal financing of every sort of essential activity and is emphasizing the tendency to turn to the Government for that paternalistic relief of both industry and agriculture which has no rightful place in a peace-time policy.

I am well convinced that a fair compromise between the rates adopted by either House will be the best possible solution of the situation, and an early decision will put an end to existing anxiety, even though the larger expectations of the country are not fully met.

Very truly yours, WARREN G. HARDING.

HON. JOSEPH W. FORDNEY,
House of Representatives, Washington, D. C.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION

[American Education Week—1921.]

Whereas, public education is the basis of citizenship and is of primary importance to the welfare of the Nation, and

Whereas, more than five million boys and girls in America are not availing themselves of our free school advantages and are lacking in that youthful schooling which is so essential to the making of an intelligent citizenship, and

Whereas, the experience of the war revealed vast elements of population that are illiterate, physically unfit, or unfamiliar with American ideals and traditions; and our future strength and security are much dependent on their education and commitment to American ideals;

Therefore, I, Warren G. Harding, President of the United States, do urge the Governors of the various States and Territories to set apart December 4th to 10th, inclusive, 1921, as American Education Week, during which

Citizens in every state are urged to give special and thoughtful attention to the needs and the aims of the public schools. It is particularly recommended that effort be addressed to a practical expression of community interest in public education. To that end organizations for civic advancement and social betterment are earnestly requested, when it can be made practicable, to provide programs which will inform the people concerning the vital needs in this direction, instruct them regarding shortcomings and deficiencies in present facilities, and bring to their attention specific, constructive methods by which, in the respective communities, these deficiencies may be supplied. The subject of public education has always been very close to the American heart, and to the fact that it has been made a chief responsibility of local governmental units, we largely owe the wide diffusion of educational facilities. It is believed that a widespread and earnest effort at observance of Education Week would do much to emphasize this feeling of immediate responsibility. Therefore it is suggested that the pulpit, press, schools, and public gatherings be enlisted in behalf of this special effort.

In witness whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this twenty-ninth day of November, in the year of our Lord, one thousand nine hundred twenty-one, and of the Independence of the United States the one hundred forty-sixth.

[SEAL.]

WARREN G. HARDING.

By the President:

CHARLES E. HUGHES, *Secretary of State.*

SPECIAL MESSAGES

[Work of Fine Arts Commission.]

THE WHITE HOUSE, *November 22, 1921.*

To the Senate and House of Representatives:

I transmit herewith for the information of the Congress the ninth report of the National Commission of Fine Arts for the period from July 1, 1919, to June 30, 1921.

The report deals with the progress made during the past twenty years in realizing the comprehensive plan for the entire District of Columbia reported to the Senate, as a result of extensive studies of the plans of capital cities in Europe. This plan was prepared as a public service by men of the highest standing in the professions of architecture, sculpture, and landscape architecture. Professedly it was based upon the L'Enfant plan of 1792 for the Federal city in the District of Columbia, designed under the personal supervision of President Washington; and, indeed, was largely an extension of that plan to cover the entire District. The L'Enfant plan was the first and most comprehensive design for a national capital ever adopted. The plan of 1901 reasserted the authority of the original plan; extended it to meet the needs of the Nation after a century of growth in power, wealth and dignity; and marked the path of future development. During the past two decades the essential features of the plan have been established, so that the work of the future will be largely a filling in of outlines. It is a source of satisfaction that so much has been done to make the city of Washington conspicuous among national capitals in respect of dignity, orderliness, convenience and beauty. All that has been done increases the importance of adhering to a plan that during nearly a century and a quarter has abundantly justified the foresight and the vision of the founders of the Republic.

The report of the Commission of Fine Arts deals also with the plans made under the direction of the Secretary of War for the cemeteries in Europe where rest the bodies of American men and women who gave their lives in the World War. By reason of their location on the field of battle the French cemeteries have a double claim to our reverent consideration—they mark both the places of burial of our heroic dead, and also the very field on which their sacrifice was made. These cemeteries are indeed fields of honor. They represent in the highest and most sacred way the participation of this nation in the Great War. They should be treated in a manner befitting their representative character.

Further, the report discloses the work of the commission in its many details. During the eleven years since Congress created that body its helpfulness has constantly increased. In many fields it has established and maintained standards of taste; and in furthering and safeguarding the plan of Washington it is especially useful.

WARREN G. HARDING.

[Transmitting Budget.]

THE WHITE HOUSE, *December 5, 1921.*

To the Congress of the United States:

I submit herewith the budget of the United States for the fiscal year ending June 30, 1923. It will be noted that the estimated ordinary expenditures for 1922 show a reduction of $1,513,537,682.20, compared with the actual ordinary expenditures for 1921; and that the estimated ordinary expenditures for 1923 show a reduction of $447,704,239 under 1922, making the estimated ordinary expenditures under the budget for 1923 $1,961,241,921.20 less than the actual ordinary expenditures for 1921. Including transactions in the principal of the public debt and investments of trust funds, the total estimated expenditures for 1922 show a reduction under the total actual expenditures for 1921 of $1,570,118,323.30 and the total estimated expenditures for 1923 show a reduction of $462,167,639 under the total estimated expenditures for 1922, making a reduction in total expenditures in the estimated budget for 1923, as compared with the total actual expenditures for 1921, of $2,032,285,962.30. It will also be noted that the total estimated receipts for 1922 are in approximate balance with the total estimated expenditures, including reduction in the principal of the public debt, and that the total estimated receipts for 1923 are within approximately $150,000,000 of a balance with the total estimated expenditures of that year. Such a discrepancy is unavoidable, when authorizations of expenditure are being enacted during the process of budget closing, but ways are provided for relatively easy adjustment, without added taxation.

For the purpose of providing a portion of the funds necessary to balance the budget for 1923, in which the estimated expenditures exceed the estimated receipts by the sum of approximately $150,000,000, I recommend the following legislation in connection with the naval appropriation bill for 1923, which would result in the eventual automatic release of $100,000,000 now held in the naval supply account of the Navy Department:

"Hereafter, until the naval supply account shall have been reduced to a maximum sum of $150,000,000, which shall not thereafter be exceeded, one-half of all reimbursements otherwise due to the naval supply account, whether from current issues or from sales, shall be covered into the Treasury as miscellaneous receipts, and only one-half shall be credited to the naval supply account."

With continued pressure for economy in all departments and the passage of such legislation, the balancing of total receipts and total expenditures for the fiscal years 1922 and 1923 should be accomplished.

I also transmit herewith the report of the Director of the Bureau of the Budget on the budget of the United States and the operations of the Bureau of the Budget.

The details of the budget are shown in the accompanying statements, and may be briefly summarized as follows:

BUDGET SUMMARY

Exclusive of postal revenues and postal expenditures paid from postal revenues

	1923, estimated	1922, estimated	1921, actual
Total receipts	$3,338,182,750	$3,943,453,663	$5,624,932,960.91
Total expenditures, including reduction in principal of public debt	3,505,754,727	3,967,922,366	5,538,040,689.30
Excess of expenditures	$ 167,571,977	$ 24,468,703	
Excess of receipts			$ 86,892,271.61

WARREN G. HARDING.

THE WHITE HOUSE, *December 5, 1921.*

To the Congress of the United States:

I submit herewith the alternative budget for the service of the fiscal year ending June 30, 1923, as required by section 205 of the Budget and Accounting Act, 1921.

The information regarding revenues and expenditures is the same as that contained in the budget, with such changes in arrangement as will better present the facts in connection with the spending departments.

The estimates of appropriations in the alternative budget have been so assembled and correlated that all estimates for any given department are included in one chapter.

WARREN G. HARDING.

FIRST ANNUAL ADDRESS TO CONGRESS

[December 6, 1921.]

Mr. Speaker and Members of the Congress:

It is a very gratifying privilege to come to the Congress with the Republic at peace with all nations of the world. More, it is equally gratifying to report that our country is not only free from every impending menace of war, but there are growing assurances of the permanency of the peace which we so deeply cherish.

For approximately ten years we have dwelt amid menaces of war or as participants in war's actualities, and the inevitable aftermath, with its disordered conditions, has added to the difficulties of government which adequately can not be appraised except by those who are in immediate contact and know the responsibilities. Our tasks would be less difficult if we had only ourselves to consider, but so much of the world was involved, the disordered conditions are so well-nigh universal, even among nations not engaged in actual warfare, that no permanent readjustments can be effected without consideration of our inescapable relationship to world affairs in finance and trade. Indeed, we should be unworthy of our best traditions if we were unmindful of social, moral and political conditions which are not of direct concern to us, but which do appeal to the human sympathies and the very becoming interest of a people blest with our national good fortune.

It is not my purpose to bring to you a program of world restoration. In the main such a program must be worked out by the nations more directly concerned . They must themselves turn to the heroic remedies for the menacing conditions under which they are struggling, then we can help, and we mean to help. We shall do so unselfishly because there is compensation in the consciousness of assisting, selfishly because the commerce and international exchanges in trade, which marked our high tide of fortunate advancement, are possible only when the nations of all continents are restored to stable order and normal relationship. In the main the contribution of this Republic to restored normalcy in the world must come through the initiative of the executive branch of the Government, but the best of intentions and most carefully considered purposes would fail utterly if the sanction and the cooperation of Congress were not cheerfully accorded.

I am very sure we shall have no conflict of opinion about constitutional duties or authority. During the anxieties of war, when necessity seemed compelling, there were excessive grants of authority and an extraordinary concentration of powers in the chief executive. The repeal of war-time legislation and the automatic expirations which attend the peace proclamations have put an end to these emergency excesses, but I have the wish to go further than that. I want to join you in restoring, in the most cordial way, the spirit of coordination and cooperation, and that mutuality of confidence and respect which is necessary in representative popular government. Encroachment upon the functions of Congress or attempted dictation of its policy are not to be thought of, much less attempted, but there is an insistent call for harmony of purpose and concord of action to speed the solution of the difficult problems confronting both the legislative and executive branches of the Government.

It is worth while to make allusion here to the character of our government, mindful as one must be that an address to you is no less a message to all our people, for whom you speak most intimately. Ours is a popular government through political parties. We divide along political lines, and I would ever have it so. I do not mean that partisan preferences should hinder any public servant in the performance of a conscientious and patriotic official duty. We saw partisan lines utterly obliterated when war imperiled, and our faith in the Republic was riveted anew. We ought not find these partisan lines obstructing the expeditious solution of the urgent problems of peace. Granting that we are fundamentally a representative popular government, with political parties the governing agencies, I believe the political party in power should assume responsibility, determine upon policies in the conference which supplements conventions and election campaigns, and then strive for achievement through adherence to the accepted policy.

There is vastly greater security, immensely more of the national viewpoint, much larger and prompter accomplishment where our divisions are along party lines, in the broad and loftier sense, than to divide geographically, or according to pursuits, or personal following. For a century and a third parties have been charged with responsibility and held to strict accounting. When they fail, they are relieved of authority; and the system has brought us to a national eminence no less than a world example. Necessarily legislation is a matter of compromise. The full ideal is seldom attained. In that meeting of minds necessary to insure results, there must and will be accommodations and compromises, but in the estimate of convictions and sincere purposes the supreme responsibility to national interest must not be ignored. The shield to the high-minded public servant who adheres to party policy is manifest, but the higher purpose is the good of the Republic as a whole.

It would be ungracious to withhold acknowledgment of the really large volume and excellent quality of work accomplished by the extraordinary session of Congress which so recently adjourned. I am not unmindful of the very difficult tasks with which you were called to deal, and no one can ignore the insistent conditions which, during recent years, have called for the continued and almost exclusive attention of your membership to public work. It would suggest insincerity if I expressed complete accord with every expression recorded in your roll calls, but we are all agreed about the difficulties and the inevitable divergence of opinion in seeking the reduction, amelioration and readjustment of the burdens of taxation. Later on, when other problems are solved, I shall make some recommendations about renewed consideration of our tax program, but for the immediate time before us we must be content with the billion dollar reduction in the tax draft upon the people, and diminished irritations, banished uncertainty and improved methods of collection. By your sustainment of the rigid economies already inaugurated, with hoped-for extension of these economies and added efficiencies in administration, I believe further reductions may be enacted and hindering burdens abolished.

In these urgent economies we shall be immensely assisted by the budget system for which you made provision in the extraordinary session. The first budget is before you. Its preparation is a signal achievement, and the perfection of the system, a thing impossible in the few months available for its initial trial, will mark its enactment as the beginning of the greatest reformation in governmental practices since the beginning of the Republic.

There is pending a grant of authority to the administrative branch of the Government for the funding and settlement of our vast foreign loans growing out of our grant of war credits. With the hands of the executive branch held impotent to deal with these debts we are hindering urgent readjustments among our debtors and accomplishing nothing for ourselves. I think it is fair for the Congress to assume that the executive branch of the Government would adopt no major policy in dealing with these matters which would conflict with the purpose of Congress in authorizing the loans, certainly not without asking congressional approval, but there are minor problems incident to prudent loan transactions and the safeguarding of our interests which can not even be attempted without this authorization. It will be helpful to ouselves and it will improve conditions among our debtors if funding and the settlement of defaulted interest may be negotiated.

The previous Congress, deeply concerned in behalf of our merchant marine, in 1920 enacted the existing shipping law, designed for the upbuilding of the American merchant marine. Among other things provided to encourage our shipping on the world's seas, the Executive was directed to give notice of the termination of all existing commercial treaties in order to admit of reduced duties on imports carried in American bottoms. During the life of the act no Executive has complied with this order of the Congress. When the present administration came into responsibility it began an early inquiry into the failure to execute the expressed purpose of the Jones act. Only one conclusion has been possible. Frankly, members of House and Senate, eager as I am to join you in the making of an American merchant marine commensurate with our commerce, the denouncement of our commercial treaties would involve us in a chaos of trade relationships and add indescribably to the confusion of the already disordered commercial world. Our power to do so is not disputed, but power and ships, without comity of relationship, will not give us the expanded trade which is inseparably linked with a great merchant marine. Moreover, the applied reduction of duty, for which the treaty denouncements were necessary, encouraged only the carrying of dutiable imports to our shores, while the tonnage which unfurls the flag on the seas is both free and dutiable, and the cargoes which make a nation eminent in trade are outgoing, rather than incoming.

It is not my thought to lay the problem in detail before you to-day. It is desired only to say to you that the executive branch of the Government, uninfluenced by the protest of any nation, for none has been made, is well convinced that your proposal, highly intended and heartily supported here, is so fraught with difficulties and so marked by tendencies to discourage trade expansion, that I invite your tolerance of noncompliance for a very few weeks until a plan may be presented which contemplates no greater draft upon the public treasury, and which, though yet too crude to offer it to-day, gives such promise of expanding our merchant marine that it will argue its own approval. It is enough to say to-day that we are so possessed of ships, and the American intention to establish a merchant marine is so unalterable, that a plan of reimbursement, at no other cost than is contemplated in the existing act, will appeal to the pride and encourage the hope of all the American people.

There is before you the completion of the enactment of what has been termed a "permanent" tariff law, the word "permanent" being used to distinguish it from the emergency act which the Congress expedited early in the extraordinary session, and which is the law today. I can not too strongly urge an early completion of this necessary legislation. It is needed to stabilize our industry at home; it is essential to make more definite our trade relations abroad. More, it is vital to the preservation of many of our own industries which contribute so notably to the very lifeblood of our nation. There is now, and there always will be, a storm of conflicting opinion about any tariff revision. We can not go far wrong when we base our tariffs on the policy of preserving the productive activities which enhance employment and add to our national prosperity.

Again comes the reminder that we must not be unmindful of world conditions, that peoples are struggling for industrial rehabilitation and that we can not dwell in industrial and commercial exclusion and at the same time do the just thing in aiding world reconstruction and readjustment. We do not seek a selfish aloofness, and we could not profit by it, were it possible. We recognize the necessity of buying wherever we sell, and the permanency of trade lies in its acceptable exchanges. In our pursuit of markets we must give as well as receive. We can not sell to others who do not produce, nor can we buy unless we produce at home. Sensible of every obligation of humanity, commerce and finance, linked as they are in the present world condition, it is not to be argued that we need destroy ourselves to be helpful to others. With all my heart I wish restoration to the peoples blighted by the awful World War, but the process of restoration does not lie in our acceptance of like conditions. It were better to remain on firm ground, strive for ample employment and high standards of wage at home, and point the way to balanced budgets, rigid economies, and resolute, efficient work as the necessary remedies to cure disaster.

Everything relating to trade, among ourselves and among nations, has been expanded, excessive, inflated, abnormal, and there is a madness in finance which no American policy alone will cure. We are a creditor nation, not by normal processes, but made so by war. It is not an unworthy selfishness to seek to save ourselves, when the processes of that salvation are not only not denied to others, but commended to them. We seek to undermine for others no industry by which they subsist; we are obligated to permit the undermining of none of our own which make for employment and maintained activities.

Every contemplation, it little matters in which direction one turns, magnifies the difficulties of tariff legislation, but the necessity of the revision is magnified with it. Doubtless we are justified in seeking a more flexible policy than we have provided heretofore. I hope a way will be found to make for flexibility and elasticity, so that rates may be adjusted to meet unusual and changing conditions which can not be accurately anticipated. There are problems incident to unfair practices, and to exchanges which madness in money have made almost unsolvable. I know of no manner in which to effect this flexibility other than the extension of the powers of the Tariff Commission, so that it can adapt itself to a scientific and wholly just administration of the law.

I am not unmindful of the constitutional difficulties. These can be met by giving authority to the chief executive, who could proclaim additional duties to meet conditions which the Congress may designate. At this point I must disavow any desire to enlarge the Executive's powers or to add to the responsibilities of the office. They are already too large. If there were any other plan I would prefer it. The grant of authority to proclaim would necessarily bring the Tariff Commission into new and enlarged activities, because no Executive could discharge such a duty except upon the information acquired and recommendations made by this commission. But the plan is feasible, and the proper functioning of the board would give us a better administration of a defined policy than ever can be made possible by tariff duties prescribed without flexibility.

There is a manifest difference of opinion about the merits of American valuation. Many nations have adopted delivery valuation as the basis for collecting duties; that is, they take the cost of the imports delivered at the port of entry as the basis for levying duty. It is no radical departure, in view of varying conditions and the disordered state of money values, to provide for American valuation, but there can not be ignored the danger of such a valuation, brought to the level of our own production costs, making our tariffs prohibitive. It might do so in many instances where imports ought to be encouraged. I believe Congress ought well consider the desirability of the only promising alternative, namely, a provision authorizing proclaimed American valuation, under prescribed conditions, on any given list of articles imported.

In this proposed flexibility, authorizing increases to meet conditions so likely to change, there should also be provision for decreases. A rate may be just to-day, and entirely out of proportion six months from today. If our tariffs are to be made equitable, and not necessarily burden our imports and hinder our trade abroad, frequent adjustment will be necessary for years to come. Knowing the impossibility of modification by act of Congress for any one or a score of lines without involving a long array of schedules, I think we shall go a long ways toward stabilization if there is recognition of the Tariff Commission's fitness to recommend urgent changes by proclamation. I am sure about public opinion favoring the early determination of our tariff policy. There have been reassuring signs of a business revival from the deep slump which all the world has been experiencing. Our unemployment, which gave us deep concern only a few weeks ago, has grown encouragingly less, and new assurances and renewed confidence will attend the congressional declaration that American industry will be held secure.

Much has been said about the protective policy for ourselves making it imposible for our debtors to discharge their obligations to us. This is a contention not now pressing for decision. If we must choose between a people in idleness pressing for the payment of indebtedness, or a people resuming the normal ways of employment and carrying the credit, let us choose the latter. Sometimes we appraise largest the human ill most vivid in our minds. We have been giving, and are giving now, of our influence and appeals to minimize the likelihood of war and throw off crushing burdens of armament. It is all very earnest, with a national soul impelling. But a people unemployed, and gaunt with hunger, face a situation quite as disheartening as war, and our greater obligation to-day is to do the Government's part toward resuming productivity and promoting fortunate and remunerative employment.

Something more than tariff protection is required by American agriculture. To the farmer has come the earlier and the heavier burdens of readjustment. There is actual depression in our agricultural industry, while agricultural prosperity is absolutely essential to the general prosperity of the country. Congress has sought very earnestly to provide relief. It has promptly given such temporary relief as has been possible, but the call is insistent for the permanent solution. It is inevitable that large crops lower the prices and short crops advance them. No legislation can cure that fundamental law. But there must be some economic solution for the excessive variation in returns for agricultural production.

It is rather shocking to be told, and to have the statement strongly supported, that 9,000,000 bales of cotton, raised on American plantations in a given year, will actually be worth more to the producers than 13,000,000 bales would have been. Equally shocking is the statement that 700,000,000 bushels of wheat, raised by American farmers, would bring them more money than a billion bushels. Yet these are not exaggerated statements. In a world where there are tens of millions who need food and clothing which they can not get, such a condition is sure to indict the social system which makes it possible.

In the main the remedy lies in distribution and marketing. Every proper encouragement should be given to the cooperative marketing programs. These have proven very helpful to the cooperating communities in Europe. In Russia the cooperative community has become the recognized bulwark of law and order, and saved individualism from engulfment in social paralysis. Ultimately they will be accredited with the salvation of the Russian state. There is the appeal for this experiment. Why not try it? No one challenges the right of the farmer to a larger share of the consumer's pay for his product, no one disputes that we can not live without the farmer. He is justified in rebelling against the transportation cost. Given a fair return for his labor, he will have less occasion to appeal for financial aid; and given assurance that his labors shall not be in vain, we reassure all the people of a production sufficient to meet our national requirement and guard against disaster.

The base of the pyramid of civilization which rests upon the soil is shrinking through the drift of population from farm to city. For a generation we have been expressing more or less concern about this tendency. Economists have warned and statesmen have deplored. We thought for a time that modern conveniences and the more intimate contact would halt the movement, but it has gone steadily on. Perhaps only grim necessity will correct it, but we ought to find a less drastic remedy.

The existing scheme of adjusting freight rates has been favoring the basing points, until industries are attracted to some centers and repelled from others. A great volume of uneconomic and wasteful transportation has attended, and the cost increased accordingly. The grain-milling and meat-packing industries afford ample illustration, and the attending concentration is readily apparent. The menaces in concentration are not limited to the retarding influences on agriculture. Manifestly the conditions and terms of railway transportation ought not be permitted to increase this undesirable tendency. We have a just pride in our great cities, but we shall find a greater pride in the nation which has a larger distribution of its population into the country, where comparatively self-sufficient smaller communities may blend agricultural and manufacturing interests in harmonious helpfulness and enhanced good fortune. Such a movement contemplates no destruction of things wrought, of investments made, or wealth involved. It only looks to a general policy of transportation, of distributed industry, and of highway construction, to encourage the spread of our population and restore the proper balance between city and country. The problem may well have your earnest attention.

It has been perhaps the proudest claim of our American civilization that in dealing with human relationships it has constantly moved toward such justice in distributing the product of human energy that it has improved continuously the economic status of the mass of people. Ours has been a highly productive social organization. On the way up from the elemental stages of society we have eliminated slavery and serfdom and are now far on the way to the elimination of poverty.

Through the eradication of illiteracy and the diffusion of education mankind has reached a stage where we may fairly say that in the United States equality of opportunity has been attained, though all are not prepared to embrace it. There is, indeed, a too great divergence between the economic conditions of the most and the least favored classes in the community. But even that divergence has now come to the point where we bracket the very poor and the very rich together as the least fortunate classes. Our efforts may well be directed to improving the status of both.

While this set of problems is commonly comprehended under the general phrase "Capital and Labor," it is really vastly broader. It is a question of social and economic organization. Labor has become a large contributor, through its savings, to the stock of Capital; while the people who own the largest individual aggregates of capital are themselves often hard and earnest laborers. Very often it is extremely difficult to draw the line of demarcation between the two groups; to determine whether a particular individual is entitled to be set down as laborer or as capitalist. In a very large proportion of cases he is both, and when he is both he is the most useful citizen.

The right of Labor to organize is just as fundamental and necessary as is the right of Capital to organize. The right of Labor to negotiate, to deal with and solve its particular problems in an organized way, through its chosen agents, is just as essential as is the right of Capital to organize, to maintain corporations, to limit the liabilities of stockholders. Indeed, we have come to recognize that the limited liability of the citizen as a member of a labor organization closely parallels the limitation of liability of the citizen as a stockholder in a corporation for profit. Along this line of reasoning we shall make the greatest progress toward solution of our problem of Capital and Labor. In the case of the corporation which enjoys the privilege of limited liability of stockholders, particularly when engaged in the public service, it is recognized that the outside public has a large concern which must be protected; and so we provide regulations, restrictions, and in some cases detailed supervision. Likewise in the case of Labor organizations, we might well apply similar and equally well-defined principles of regulation and supervision in order to conserve the public's interests as affected by their operations.

Just as it is not desirable that a corporation shall be allowed to impose undue exactions upon the public, so it is not desirable that a Labor organization shall be permitted to exact unfair terms of employment or subject the public to actual distresses in order to enforce its terms. Finally, just as we are earnestly seeking for procedure whereby to adjust and settle political differences between nations without resort to war, so we may well look about for means to settle the differences between organized Capital and organized Labor without resort to those forms of warfare which we recognize under the name of strikes, lockouts, boycotts, and the like.

As we have great bodies of law carefully regulating the organization and operations of industrial and financial corporations, as we have treaties and compacts among nations which look to the settlement of differences without the necessity of conflict in arms, so we might well have plans of conference, of common counsel, of mediation, arbitration, and judicial determination in controversies between Labor and Capital. To accomplish this would involve the necessity to develop a thoroughgoing code of practice in dealing with such affairs. It might be well to frankly set forth the superior interest of the community as a whole to either the labor group or the capital group. With rights, privileges, immunities, and modes of organization thus carefully defined, it should be possible to set up judicial or quasi-judicial tribunals for the consideration and determination of all disputes which menace the public welfare. In an industrial society such as ours the strike, the lockout, and the boycott are as much out of place and as disastrous in their results as is war or armed revolution in the domain of politics. The same disposition to reasonableness, to conciliation, to recognition of the other side's point of view, the same provision of fair and recognized tribunals and processes, ought to make it possible to solve the one set of questions as easily as the other. I believe the solution is possible. The consideration of such a policy would necessitate the exercise of care and deliberation in the construction of a code and a charter of elemental rights, dealing with the relations of employer and employee. This foundation in the law, dealing with the modern conditions of social and economic life, would hasten the building of the temple of peace in industry which a rejoicing nation would acclaim.

After each war, until the last, the Government has been enabled to give homes to its returned soldiers, and a large part of our settlement and development has attended this generous provision of land for the nation's defenders. There is yet unreserved approximately 200,000,000 acres in the public domain, 20,000,000 acres of which are known to be susceptible of reclamation and made fit for homes by provision for irrigation. The Government has been assisting in the development of its remaining lands, until the estimated increase in land values in the irrigated sections is full $500,000,000, and the crops of 1920 alone on these lands are estimated to exceed $100,000,000. Under the law authorizing these expenditures for development the advances are to be returned, and it would be good business for the Government to provide for the reclamation of the remaining 20,000,000 acres, in addition to expediting the completion of projects long under way.

Under what is known as the coal and gas lease law, applicable also to deposits of phosphates and other minerals on the public domain, leases are now being made on the royalty basis, and are producing large revenues to the Government. Under this legislation, 10 per centum of all royalties is to be paid directly to the federal treasury, and of the remainder 50 per centum is to be used for reclamation of arid lands by irrigation, and 40 per centum is to be paid to the states in which the operations are located, to be used by them for school and road purposes. These resources are so vast, and the development is affording so reliable a basis of estimate, that the Interior Department expresses the belief that ultimately the present law will add in royalties and payments to the treasuries of the Federal Government and the states containing these public lands a total of $12,000,000,000. This means, of course, an added wealth of many times that sum. These prospects seem to afford every justification of Government advances in reclamation and irrigation.

Contemplating the inevitable and desirable increase of population, there is another phase of reclamation full worthy of consideration. There are 79,000,000 acres of swamp and cut-over lands which may be reclaimed and made as valuable as any farm lands we possess. These acres are largely located in Southern states, and the greater proportion is owned by the states or by private citizens. Congress has a report of the survey of this field for reclamation, and the feasibility is established. I gladly commend Federal aid, by way of advances, where state and private participation is assured. Homemaking is one of the greater benefits which government can bestow. Measures are pending embodying this sound policy to which we may well adhere. It is easily possible to make available permanent homes which will provide, in turn, for prosperous American families, without injurious competition with established activities, or imposition on wealth already acquired.

While we are thinking of promoting the fortunes of our own people I am sure there is room in the sympathetic thought of America for fellow human beings who are suffering and dying of starvation in Russia. A severe drought in the valley of the Volga has plunged 15,000,000 people into grievous famine. Our voluntary agencies are exerting themselves to the utmost to save the lives of children in this area, but it is now evident that unless relief is afforded the loss of life will extend into many millions. America can not be deaf to such a call as that. We do not recognize the government of Russia, nor tolerate the propaganda which emanates therefrom, but we do not forget the traditions of Russian friendship. We may put aside our consideration of all international politics and fundamental differences in government. The big thing is the call of the suffering and the dying. Unreservedly I recommend the appropriation necessary to supply the American Relief Administration with 10,000,000 bushels of corn and 1,000,000 bushels of seed grains, not alone to halt the wave of death through starvation, but to enable spring planting in areas where the seed grains have been exhausted temporarily to stem starvation.

The American Relief Administration is directed in Russia by former officers of our own armies, and has fully demonstrated its ability to transport and distribute relief through American hands without hindrance or loss. The time has come to add the Government's support to the wonderful relief already wrought out of the generosity of the American private purse. I am not unaware that we have suffering and privation at home. When it exceeds the capacity for the relief within the states concerned, it will have Federal consideration. It seems to me we should be indifferent to our own heart promptings, and out of accord with the spirit which acclaims the Christmastide, if we do not give out of our national abundance to lighten this burden of woe upon a people blameless and helpless in famine's peril.

There are a full score of topics concerning which it would be becoming to address you, and on which I hope to make report at a later time. I have alluded to the things requiring your earlier attention. However, I can not end this limited address without a suggested amendment to the organic law.

Many of us belong to that school of thought which is hesitant about altering the fundamental law. I think our tax problems, the tendency of wealth to seek nontaxable investment, and the menacing increase of public debt, federal, state and municipal—all justify a proposal to change the Constitution so as to end the issue of nontaxable bonds.

No action can change the status of the many billions outstanding, but we can guard against future encouragement of capital's paralysis, while a halt in the growth of public indebtedness would be beneficial throughout our whole land. Such a change in the Constitution must be very thoroughly considered before submission. There ought to be known what influence it will have on the inevitable refunding of our vast national debt, how it will operate on the necessary refunding of state and municipal debt, how the advantages of nation over state and municipality, or the contrary, may be avoided. Clearly the states would not ratify to their own apparent disadvantage. I suggest the consideration because the drift of wealth into nontaxable securities is hindering the flow of large capital to our industries, manufacturing, agricultural and carrying, until we are discouraging the very activities which make our wealth.

Agreeable to your expressed desire and in complete accord with the purposes of the executive branch of the Government, there is in Washington, as you happily know, an International Conference now most earnestly at work on plans for the limitation of armament, a naval holiday, and the just settlement of problems which might develop into causes of international disagreement. It is easy to believe a world-hope is centered on this Capital City. A most gratifying world-accomplishment is not improbable.

EXECUTIVE ORDER

[Transfer of Certain Historical Papers From the Department of State to the Library of Congress.]

THE WHITE HOUSE, *December 19, 1921.*

Whereas, an Executive Order of March 9, 1903, of President Roosevelt directed that certain historical archives in the Department of State, known as the Revolutionary Archives, being the papers of the Continental Congress, George Washington, James Madison, Thomas Jefferson, Alexander Hamilton, James Monroe, and Benjamin Franklin, be transferred from the Department of State to the custody of the Library of Congress by authority of the Act approved February 25, 1903, entitled, "An Act making appropriations for the legislative, executive and judicial expenses of the government for the fiscal year ending June 30, 1904, and for other purposes";

And whereas, the said order authorized the Secretary of State to retain such papers in each of the collections enumerated above as in his discretion might be required for the continuity and completeness of the records and archives of the Department of State;

And whereas, the Secretary of State has represented that certain of the papers retained at that time and certain other historical papers now in his custody are not needed for the use of his Department, and recommends that they be transferred to the Library of Congress, to become a part of the historical papers which now constitute the collections in the Manuscript Division of the Library of Congress;

It is hereby order that the following papers be transferred from the Department of State to the possession and custody of the Library of Congress, to be there preserved and rendered accessible for historical and other legitimate uses, under such rules and regulations as may from time to time be prescribed by the Librarian of Congress:

1. The Journal, Acts and Proceedings of the Convention which framed the Constitution of the United States.
2. The Articles of Confederation ratified March 1, 1781.
3. Thomas Jefferson's draft of the Declaration of Independence.
4. Papers of the Continental Congress, a detailed list of which is hereunto appended.
5. Certain papers of James Madison, a detailed list of which is hereunto appended.
6. Certain papers of Benjamin Franklin, a detailed list of which is hereunto appended.

WARREN G. HARDING.

STATEMENT BY STATE DEPARTMENT

September 29, 1921.

Secretary Hughes has been impressed with the fact that the Declaration of Independence and the Constitution of the United States which are now deposited with the State Department are not in a place of such absolute safety as the importance of the documents requires, as the Department building is always subject to fire risk. Moreover, the State Department has no exhibition room and has been unable for some years past to exhibit these documents under satisfactory conditions, although nearly all visitors to Washington desire to see them. It has seemed that the Library of Congress is the most suitable place for the preservation and exhibition of these muniments, that building being of modern fireproof construction with appropriate exhibition halls and the manuscripts which are in its custody being in charge of expert archivists. On the recommendation of the Secretary of State, President Harding has signed an executive order as follows:

> The original engrossed Declaration of Independence and the original engrossed Constitution of the United States, now in the Department of State, are, by authority provided by the Act of Congress entitled "An Act making appropriations for the legislative, executive and judicial expenses of the Government for the fiscal year ending June 30, 1904, and for other purposes," approved February 25, 1903, hereby ordered to be transferred from the Department of State to the custody of the Library of Congress, to be there preserved

and exhibited under such rules and regulations as may from time to time be prescribed by the Librarian of Congress.

This order is issued at the request of the Secretary of State, who has no suitable place for the exhibition of these muniments and whose building is believed to be not as safe a depository for them as the Library of Congress, and for the additional reason that it is desired to satisfy the laudable wish of patriotic Americans to have an opportunity to see the original fundamental documents upon which rest their Independence and their Government.

Secretary Hughes' letter to the President recommending the transfer was accompanied by a brief history of these documents. It showed that on July 24th, 1789, Charles Tomson, Secretary of the Continental Congress, having resigned his office, deposited the papers with Mr. Roger Alden, who had been deputy secretary of the Congress, and who, at General Washington's request, took charge of them until the Department of State was created by the Act of September 15, 1789. They have been officially in the custody of the Secretary of State ever since that date. It appears, however, that they have not been continuously in the physical custody of the Secretary of State.

On August 20, 1814, just before the capture of Washington by the British, the Declaration of Independence, the Constitution, and the other records of the Department were taken away from Washington and put in an unoccupied grist mill belonging to Edgar Patterson, situated on the Virginia side of the Potomac River, a short distance from the Chain Bridge, two miles above Georgetown. On August 24th, for greater safety, all the papers were moved to Leesburg, twenty-five miles farther away, and placed in an empty house, where they were locked up and the keys intrusted to the Reverend Mr. Littlejohn, who was then, or had been, a collector of Internal Revenue. There the papers remained for several weeks, not being brought back to Washington until the British fleet had left the Chesapeake. In 1841, when the Patent Office (which was then a part of the State Department) went into a new building which was supposed to be fireproof (which was burned some thirty-five years later), the Declaration of Independence was put in that building and there it remained until 1877, except for nine months from May, 1876, to February, 1877, when it was in Independence Hall at Philadelphia. It was transferred in 1877 from the Patent Office to the State Department, which had recently been moved to the building which it now occupies.

EXECUTIVE ORDER

[Relief for Russia.]

THE WHITE HOUSE, *December 24, 1921.*

By virtue of an act of Congress entitled "An Act for the Relief of the Distressed and Starving People of Russia," approved December 22, 1921, I, Warren G. Harding, President of the United States, for the purpose of carrying out the provisions of said act hereby appoint the Secretary of Commerce, James P. Goodrich, of Indiana, Edward M. Flesh, of Missouri, Edgar Rickard, of New York, Don Livingston, of South Dakota, as a commission to be known as the "Purchasing Commission for Russian Relief," and designate such Commission as the agency for the purpose of the purchase, transport, and delivery of "corn, seed grain, and preserved milk, for the relief of the distressed and starving people of Russia, and for spring planting in areas where seed grains have been exhausted." Overseas transport to be under the provisions of said Act.

I hereby authorize said Commission to purchase said commodities from time to time and in such amount as may be found necessary to carry out the purposes of this Act and not exceeding the amount mentioned in said Act.

I further authorize and direct the United States Grain Corporation to act as the fiscal agency of said Commission and to pay out of its available funds all bills and obligations incurred, but all under the direction of said Commission in the purchase, transport, and delivery of the aforesaid commodities, provided, however, that the total amount so expended by the United States Grain Corporation for such purposes shall not exceed the sum of $20,000,000.

I further authorize and direct the American Relief Administration to accept from the Purchasing Commission for Russian Relief the said commodities so purchased and transported and to distribute the same in Russia for the purposes set out in this Act, and by such methods and means and to such places and persons as it in its discretion may determine. On the completion of the work contemplated in said Act and herein designated, the said Grain Corporation shall render to the President of the United States not later than the 15th day of December, 1922, an itemized and detailed report of the expenditures incurred by it, and the said American Relief Administration shall not later than said date submit to the President a report of the work conducted by it under the authority of said Act and this Executive Order.

WARREN G. HARDING.

SPECIAL MESSAGE

[Transmitting Report of International Joint Commission on Making the St. Lawrence River Navigable for Ocean-Going Vessels.]

THE WHITE HOUSE, *January 16, 1922.*

To the Senate and House of Representatives:

By section 9 of an act entitled "An act making appropriations for the construction, repair, and preservation of certain public works on rivers and harbors, and for other purposes," approved March 2, 1919, the Congress expressed a desire that the International Joint Commission investigate what further improvement of the St. Lawrence River between Montreal and Lake Ontario is necessary to make the river navigable for ocean-going vessels, together with the estimated cost thereof.

Under date of January 21, 1920, the Governments of the United States and Canada by agreement referred the matter to the International Joint Commission pursuant to the provisions of article 9 of the treaty relating to the boundary waters between the United States and Canada, signed by the United States and Great Britain on January 11, 1909.

I transmit herewith, for the information of the Congress and for such action as it may deem appropriate, a report, bearing date of December 19, 1921, submitted to the Department of State by a letter of the joint secretaries of the commission, dated January 6, 1922, presenting the findings, conclusions, and recommendations of the commission regarding the matter. WARREN G. HARDING.

The recommendations of the Commission were as follows:

1. That the Governments of the United States and Canada enter into an arrangement by way of treaty for a scheme of improvement of the St. Lawrence River between Montreal and Lake Ontario.

2. That the new Welland Ship Canal be embodied in said scheme and treated as a part thereof.

3. That the proposed works between Montreal and Lake Ontario be based upon the report of the engineering board accompanying this report, but that before any final decision is reached, the report of the board, together with such comments, criticisms and alternative plans as have been filed with the commission, be referred back to the board, enlarged by other leading members of the engineering profession, to the end that the whole question be given that further and complete study that its magnitude and importance demand, and that after completion the administrative features of this improvement be carried out as set forth in recommendations 7 and 8 hereof.

4. That there shall be an exhaustive investigation of the extent and character of the damage through flowage involved in the plan of development finally adopted.

5. That, assuming the adoption of the plan of the Engineering Board, or of other plans also, involving a readjustment of the international boundary, in order to bring each of the power houses on its own side of the boundary, appropriate steps be taken to transfer to one country or the other, as the case may be, the slight acreage of submerged land involved.

6. That Canada proceed with the works necessary for the completion of said new Welland Ship Canal in accordance with the plans already decided upon by that country.

7. That such "navigation works" as do not lie wholly within one country or are not capable of economic and efficient construction, maintenance and operation within one country, as complete and independent units, be maintained and operated by a board hereinafter called the "International Board," on which each country shall have equal representation.

8. That such navigation works as lie wholly within one country, and are capable of economic and efficient construction, maintenance and operation as complete and independent units, be maintained and operated by the country in which they are located, with the right of inspection by the said International Board, to insure economy and efficiency.

9. That "power works" be built, installed and operated by and at the expense of the country in which they are located.

10. That, except as set forth in recommendation 11, the cost of all navigation works be apportioned between the two countries on the basis of the benefits each will receive from the new waterway. Provided, that during the period ending five

years after completion of the works—and to be known as the construction period—the ratio fixing the amount chargeable to each country shall be determined upon by certain known factors, such as the developed resources and foreign and coastwise trade of each country within the territory economically tributary to the proposed waterway, and that that ratio shall be adjusted every five years thereafter and based upon the freight tonnage of each country actually using the waterway during the previous five-year period.

11. That the cost of navigation works for the combined use of navigation and power over and above the cost of works necessary for navigation alone should be apportioned equally between the two countries.

In reply to questions addressed to it by the two Governments, the Joint Commission, among other things, reported:

The Commission believes that the greatest beneficial use of the waters of the St. Lawrence River between Montreal and Lake Ontario may be obtained by a combination of navigation and power development in the international section, and of navigation alone in the national section, with power development therein at some future date. It also approves of a combination of dams and side canals with locks in the international section and side canals with locks in the national section, as recommended by the Engineering Board.

The draft of water recommended is twenty-five feet in the canals and thirty feet on the sills of the locks. The estimated cost of the completed works between Montreal and Lake Ontario, as recommended by the Engineering Board, is $252,000,000. To this must be added the cost of the new Welland Ship Canal, in order to ascertain the total expenditure involved.

So far as the physical features of the improvement are concerned, the Commission believes that the works at and near the Long Sault Rapids, whose completion may be expected to require the greatest amount of time, should be commenced as soon as funds are available, and that all other works, both in the international and national sections of the river, should be commenced in time to insure their completion at approximately the same time as the Long Sault works. This method and order of procedure would at one and the same time secure through deep water navigation and make possible the development of power at the earliest practicable date.

The capital cost of navigation works and of the new Welland Canal should be apportioned between the two countries on the basis of the benefits to be derived by each country from the use of the new waterway. The capital cost of power works should be borne by the country in which they are located. The capital cost of navigation works for the combined use of navigation and power over and above the cost of works necessary for navigation alone to be apportioned equally between the two countries.

The Commission has reached the general conclusion that sufficient traffic will seek the new water route, irrespective of new traffic created as the result of the opening of that route, to justify its construction. The Commission has so much confidence in the virility and resourcefulness of the people of these two countries that it is convinced the traffic available for the new waterway will rapidly increase with the development of the area tributary thereto, and that the creation of new hydraulic power in connection with the waterway will stimulate industrial growth both in manufactures and transportation.

Concerning shipbuilding on the Lakes the Commission reported:

Previous to the war the Great Lakes plants were devoted mainly to the production of lake shipping, but the insistent demand for ocean ships to carry food and munitions to Europe forced them to turn more and more to that branch of shipbuilding until in 1918 the plants on the United States side of the Great Lakes actually built and delivered a very considerable portion of the total tonnage constructed by the country in that year. The capacity of these plants was more than doubled during the war, and this applies to both sides of the lakes. It appears that with this equipment, with the thousands of skilled workmen trained in the art of shipbuilding and with their strategic position in relation to raw materials, the shipbuilding plants of the Great Lakes would be in a position to compete on very favorable terms with plants on the seaboard in the construc-

tion of ocean-going ships, if a deep waterway were available by which these ships could be taken down to tidewater.

CONFERENCE ON THE LIMITATION OF ARMAMENT

[After the fervor evoked by the participation of the United States in the World War had begun to cool, there arose in this country a strong sentiment in favor of a sharp reduction in the armaments of the United States and of other countries. That sentiment was typified by the action of Congress, early in 1921, in reducing the number of enlisted men in the army to 175,000, despite the opposition and veto of President Wilson, and in reducing that figure to 150,000 early in President Harding's administration, despite the opposition of Secretary of War Weeks.

In May, 1921, Senator Borah proposed in the Senate an amendment to the pending Naval Appropriation Bill authorizing and requesting the President to confer with Great Britain and Japan with a view to an understanding regarding reduction of naval armaments during the following five years. It was understood that the Administration was opposed to the Borah proposal, because it would interfere with plans toward international agreement on that subject already being pursued by the Administration. (In the Presidential campaign of 1920, President Harding, in rejecting the League of Nations, had promised, if elected, to effect "an association of nations.") But public opinion, organized and unorganized, swung enthusiastically behind Senator Borah's proposal, so that it was finally added to the bill by the Senate at the end of the month, the bill itself being finally approved in July, 1921.

After the passage of the Borah proposal, there were many intimations from the Administration that it was planning an international conference on a larger scope than that of the Borah proposal. The Department of State on July 27, 1921, made the following statement "with regard to the proposed Conference in Washington on the Limitation of Armament which will also embrace the discussion of Pacific and Far Eastern questions":—]

Upon the President's announcement of the plan Great Britain, France and Italy expressed their approval and their readiness to receive the proposed invitation.

Japan expressed its willingness to accept an invitation to the Conference on the Limitation of Armament, but desired to be advised as to the scope and nature of the subjects to be discussed in connection with Pacific and Far Eastern matters. After conversations between the Secretary of State and the Japanese Ambassador at Washington, the Chargé d'Affaires of the American Embassy at Tokio delivered, on July 23, 1921, the following memorandum to the Imperial Government:

> The Government of the United States deeply appreciates the readiness of the Imperial Japanese Government to accept the invitation to attend the Conference on the Limitation of Armaments.
>
> The Secretary of State of the United States in the course of informal conversations with His Excellency, the Imperial Japanese Ambassador at Washington, has expressed the hope that the Imperial Government would not press its inquiry as to the nature and scope of the Pacific and Far Eastern problems to be discussed at the proposed conference in view of the fact that it is desirable that the full acceptance of the invitation of the American Government leave this matter open for adjustment in the precise agenda to be arrived at later.
>
> The Secretary of State is willing to proceed with exchanges of opinion regarding the agenda prior to the meeting of the conference. He considers

it inadvisable, however, at the present moment to hamper the program and in particular to delay the arrangements for the conference pending an agreement regarding this matter.

Today the Department of State has received, through the American Embassy at Tokio, the following reply:

> The Japanese Government has taken note of the contents of the American memorandum of July 23rd, received through the American Chargé d'Affaires, in reply to the Japanese memorandum of July 13th, on the subject of a conference on the limitation of armaments to be held at Washington.
>
> It has been brought to the knowledge of the Japanese Government that the Government of the United States is willing to proceed with exchanges of opinion regarding the agenda prior to the meeting of the conference and that it considers it advisable to adjust in that agenda the nature and scope of the Pacific and Far Eastern questions to be discussed at the proposed conference. The Japanese Government, on that understanding, are happy to be able to inform the American Government that it is their intention gladly to accept an invitation for a conference which shall embrace the discussion of the Pacific and Far Eastern questions.
>
> The Japanese Government has been made aware through the communications and the published statement of the American Government and the conversations between the Secretary of State and Baron Shidehara that the proposition of the American Government to discuss the Pacific and Far Eastern problems is based on the close bearing they have on the question of the limitation of armaments, which is the original and principal aim of the conference, and that therefore the main object of discussing these problems is to reach a common understanding in regard to general principles and policies in the Pacific and the Far East. Desiring, as they do, to contribute to the establishment of an enduring peace and to the advancement of human welfare, the Japanese Government earnestly hopes that the proposed conference may attain the expected results and their ideals may thereby be brought nearer to realization.
>
> In order to insure the success of the conference, the Japanese Government deems it advisable that the agenda thereof should be arranged in accordance with the main object of the discussions as above defined, and that introduction therein of problems such as are of sole concern to certain particular Powers or such matters as may be regarded as accomplished facts should be scrupulously avoided.

According to the President's announcement, China will be invited to participate in the discussion of Far Eastern questions and has indicated her willingness to accept the invitation. Other Powers having interests in the Far East may also be invited to take part in that discussion. Formal invitations have not yet been issued, and the details of the arrangements are being perfected.

INVITATION

[The text of the invitations to attend the conference was announced from the White House on August 11, 1921, as follows:]

The President is deeply gratified at the cordial response to his suggestion that there should be a Conference on the subject of Limitation of Armament, in connection with which Pacific and Far Eastern questions should also be discussed.

Productive labor is staggering under an economic burden too heavy to be borne unless the present vast public expenditures are greatly reduced. It is idle to look for stability, or the assurance of social justice, or the security of peace while wasteful and unproductive outlays deprive effort of its just reward and defeat the reasonable expectation of progress. The enormous disbursements in the rivalries of armaments manifestly constitute the greater part of the encumbrance upon enterprise and national prosperity; and avoidable or extravagant expense of this nature is not only without economic justification but is a constant menace to the peace of the world rather than an assurance of its preservation. Yet there would seem to be no ground to expect the halting of these increasing outlays unless the Powers most largely concerned find a satisfactory basis for an agreement to effect their limitation. The time is believed to be opportune for these Powers to approach this subject directly and in conference; and while, in the discussion of limitation of armament, the question of naval armament may naturally have first place, it has been thought best not to exclude questions pertaining to other armament to the end that all practicable measures of relief may have appropriate consideration. It may also be found advisable to formulate proposals by which in the interest of humanity the use of new agencies of warfare may be suitably controlled.

It is, however, quite clear that there can be no final assurance of the peace of the world in the absence of the desire for peace, and the prospect of reduced armaments is not a hopeful one unless this desire finds expression in a practical effort to remove causes of misunderstanding and to seek ground for agreement as to principles and their application. It is the earnest wish of this Government that through an interchange of views with the facilities afforded by a conference, it may be possible to find a solution of Pacific and Far Eastern problems, of unquestioned importance at this time, that is, such common understandings with respect to matters which have been and are of international concern as may serve to promote enduring friendship among our peoples.

It is not the purpose of this Government to attempt to define the scope of the discussion in relation to the Pacific and Far East, but rather to leave this to be the subject of suggestions to be exchanged before the meeting of the Conference, in the expectation that the spirit of friendship and a cordial appreciation of the importance of the elimination of sources of controversy will govern the final decision.

Accordingly, in pursuance of the proposal which has been made, and in the light of the gracious indication of its acceptance, the President invites the Governments of Great Britain (Japan, Italy, France) to participate in a Conference on the subject of Limitation of Armament, in connection with which Pacific and Far Eastern questions will also be discussed, to be held in Washington on the 11th day of November, 1921.

RUSSIA NOT INCLUDED

[Statement by State Department.]

September 19, 1921.

The American Legation at Peking received recently from an agent of the so-called Far Eastern Republic a request that representatives thereof should be admitted to the approaching conference on limitation of armament, at which questions affecting the Far East will also be discussed.

As the so-called Far Eastern Republic has not been recognized by the Government of the United States, nor by the other Governments of the world, no formal reply has been made to this communication, but the American Minister at Peking has been instructed to convey to the agent of the Far Eastern Republic informal observations in the following sense:

In the absence of a single, recognized Russian Government the protection of legitimate Russian interests must devolve as a moral trusteeship upon the whole

Conference. It is regrettable that the Conference, for reasons quite beyond the control of the participating Powers, is to be deprived of the advantage of Russian cooperation in its deliberations, but it is not to be conceived that the Conference will take decisions prejudicial to legitimate Russian interests or which would in any manner violate Russian rights. It is the hope and expectation of the Government of the United States that the Conference will establish general principles of international action which will deserve and have the support of the people of Eastern Siberia and of all Russia by reason of their justice and efficacy in the settlement of outstanding difficulties.

ADDITIONAL INVITATIONS

[The Secretary of State, on behalf of the President, on October 4, 1921, sent formal invitations to Belgium, The Netherlands and Portugal to participate in the discussion of Pacific and Far Eastern questions in connection with the Conference for the Limitation of Armament, to be held in Washington on the 11th day of November, 1921. China had previously been invited so to participate.

The invitations were cabled by the Secretary of State to our Embassy at Brussels and to our Legations at The Hague and Lisbon for delivery in each case to the Foreign Office of the respective Governments.

The text of the invitation was as follows, the only difference being in the name of the Government:]

> The invitation of the President of the United States to the Governments of France, Great Britain, Italy and Japan to send representatives to a Conference to be held in the City of Washington on November 11, 1921, on the subject of Limitation of Armaments, in connection with which Pacific and Far Eastern questions will also be discussed, has been graciously accepted. The Government of China has also been pleased to accept the President's invitation to participate in the discussion of Pacific and Far Eastern questions.
>
> It is the earnest wish of this Government that with the facilities afforded by a Conference it may be possible to find a solution of Pacific and Far Eastern problems, by a practical effort to reach such common understandings with respect to matters which have been and are of international concern as may serve to promote enduring friendship.
>
> In view of the interest of Belgium in the Far East, the President desires to invite your Excellency's Government to participate in the discussion of Pacific and Far Eastern questions at the Conference, and I have the honor to enclose herewith the tentative suggestions as to the agenda of the Conference, relating to Pacific and Far Eastern questions, proposed by the Government of the United States.

[The tentative suggestions as to the agenda of the Conference, in so far as they related to Pacific and Far Eastern questions, accompanied the invitation in each case.]

AGENDA

The agenda, or program of discussion, of the conference were as follows:

Limitation of Armament:

1. Limitation of naval armament; basis of limitation; extent of limitation; fulfillment of conditions.
2. Rules for control of new agencies of warfare.
3. Limitation of land armament.

Pacific and Far Eastern Questions:

1. Questions relating to China; principles to be applied.

2. Application to subjects.
    - A. Territorial integrity.
    - B. Administrative integrity.
    - C. Open door; equality of administrative and industrial opportunity.
    - D. Concessions, monopolies and other economic privileges.
    - E. Development of railways.
    - F. Preferential railroad rates.
    - G. Status of existing commitments.
3. Questions relating to Siberia; similar to questions relating to China.
4. Mandated islands.

[Although summoned for November 11th, 1921, the Conference did not formally assemble until the following day, owing to the exercises on November 11th, at Arlington Cemetery, in connection with the burial of an unknown American soldier.

The chairman of the Conference was Charles Evans Hughes, Secretary of State of the United States, who was also chairman of the United States delegation. The other United States representatives were Elihu Root, former Secretary of State; Senator Henry Cabot Lodge, chairman of the Foreign Relations Committee of the United States Senate; and Senator Oscar W. Underwood, Democratic leader in the Senate.

Aristide Briand, prime minister of France, was in attendance at part of the Conference. The other French delegates were René Viviani, former prime minister, Albert Sarraut, minister of colonies, and Jules J. Jusserand, French ambassador to the United States.

David Lloyd-George, prime minister of Great Britain, was unable to attend the Conference and the head of the British delegation was Arthur J. Balfour, Lord President of the Council and former prime minister. The other British delegates were Lord Lee of Fareham and Sir Auckland Geddes, British ambassador to the United States.

The Japanese delegation was composed of Baron Kato, minister of the navy; Prince Tokugawa, president of the House of Peers; Baron Shidehara, Japanese ambassador to the United States; and Masanao Hanihara, vice minister for foreign affairs.

The leading figures in the Chinese delegation were S.-K. Alfred Sze, Chinese minister to the United States, and V. K. Wellington Koo, Chinese minister to Great Britain.

The Italian mission was headed by Senator Carlo Schanzer; the Belgian, by Baron de Cartier, Belgian ambassador to the United States; the Dutch, by Foreign Minister Jonkheer H. A. van Karnebeek; and the Portuguese, by Viscount d'Alte, Portuguese minister to the United States.

There was an advisory committee to the United States commission, composed of certain officials of the Government especially concerned with the deliberations of the Conference and certain eminent private citizens.]

PRESIDENT HARDING'S OPENING ADDRESS

[The Conference was opened by President Harding on November 12, 1921, in the Continental Memorial Hall in Washington, where the plenary sessions of the Conference were held, with the following address:]

Mr. Secretary and Members of the Conference, Ladies and Gentlemen:

It is a great and happy privilege to bid the delegates to this Conference a cordial welcome to the Capital of the United States of America. It is not only a satisfaction to greet you because we were lately participants in a common cause, in which shared sacrifices and sorrows and triumphs brought our nations more closely together, but it is gratifying to address you as the spokesmen for nations whose convictions and attending actions have so much to do with the weal or woe of all mankind.

It is not possible to overappraise the importance of such a conference. It is no unseemly boast, no disparagement of other nations which, though not represented, are held in highest respect, to declare that the conclusions of this body will have a signal influence on all human progress—on the fortunes of the world.

Here is a meeting, I can well believe, which is an earnest of the awakened conscience of twentieth century civilization. It is not a convention of remorse, nor a session of sorrow. It is not the conference of victors to define terms of settlement. Nor is it a council of nations seeking to remake humankind. It is rather a coming together, from all parts of the earth, to apply the better attributes of mankind to minimize the faults in our international relationships.

Speaking as official sponsor for the invitation, I think I may say the call is not of the United States of America alone, it is rather the spoken word of a war-wearied world, struggling for restoration, hungering and thirsting for better relationship; of humanity crying for relief and craving assurances of lasting peace.

It is easy to understand this world-wide aspiration. The glory of triumph, the rejoicing in achievement, the love of liberty, the devotion to country, the pangs of sorrow, the burdens of debt, the desolation of ruin—all these are appraised alike in all lands. Here in the United States we are but freshly turned from the burial of an unknown American soldier, when a nation sorrowed while paying him tribute. Whether it was spoken or not, a hundred millions of our people were summarizing the inexcusable causes, the incalculable cost, the unspeakable sacrifices, and the unutterable sorrows, and there was the ever impelling question: How can humanity justify or God forgive? Human hate demands no such toll; ambition and greed must be denied it. If misunderstanding must take the blame, then let us banish it, and let understanding rule and make good will regnant everywhere. All of us demand liberty and justice. There can not be one without the other, and they must be held the unquestioned possession of all peoples. Inherent rights are of God, and the tragedies of the world originate in their attempted denial. The world to-day is infringing their enjoyment by arming to defend or deny, when simple sanity calls for their recognition through common understanding.

Out of the cataclysm of the World War came new fellowships, new convictions, new aspirations. It is ours to make the most of them. A world staggering with debt needs its burden lifted. Humanity which has been shocked by wanton destruction would minimize the agencies of that destruction. Contemplating the measureless cost of war and

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BURIAL OF AN UNKNOWN AMERICAN SOLDIER

BURIAL OF AN UNKNOWN AMERICAN SOLDIER.

Arlington Cemetery, November 11, 1921.

Following the earlier examples of Great Britain and France, on the anniversary of the day when hostilities in the World War came officially to an end, in 1921 the United States buried with full honors of war in the Memorial Cemetery at Arlington, Virginia, the body of an American soldier who had perished unknown in the conflict. The significance of the deed and the occasion is discussed by President Harding on page 9010. The preceding illustration shows him reading his address at the Amphitheatre of the Cemetery, in the presence of a distinguished company, including the most prominent of the delegates assembled for the Conference on the Limitation of Armaments, which convened at Washington on the following day; and placing a wreath upon the coffin as it lay in state at the Capitol.

Under the heading, World War, the Encyclopedic Index presents a succinct but thorough account of this most stupendous armed struggle between nations in the entire history of mankind.

the continuing burden of armament, all thoughful peoples wish for real limitation of armament and would like war outlawed. In soberest reflection the world's hundreds of millions who pay in peace and die in war wish their statesmen to turn the expenditures for destruction into means of construction, aimed at a higher state for those who live and follow after.

It is not alone that the world can not readjust itself and cast aside the excess burdens without relief from the leaders of men. War has grown progressively cruel and more destructive from the first recorded conflict to this pregnant day, and the reverse order would more become our boasted civilization.

Gentlemen of the Conference, the United States welcomes you with unselfish hands. We harbor no fears; we have no sordid ends to serve; we suspect no enemy; we contemplate or apprehend no conquest. Content with what we have, we seek nothing which is another's. We only wish to do with you that finer, nobler thing which no nation can do alone.

We wish to sit with you at the table of international understanding and good will. In good conscience we are eager to meet you frankly, and invite and offer cooperation. The world demands a sober contemplation of the existing order and the realization that there can be no cure without sacrifice, not by one of us, but by all of us.

I do not mean surrendered rights, or narrowed freedom, or denied aspirations, or ignored national necessities. Our Republic would no more ask for these than it would give. No pride need be humbled, no nationality submerged, but I would have a mergence of minds committing all of us to less preparation for war and more enjoyment of fortunate peace.

The higher hopes come of the spirit of our coming together. It is but just to recognize varying needs and peculiar positions. Nothing can be accomplished in disregard of national apprehensions. Rather, we should act together to remove the causes of apprehensions. This is not to be done in intrigue. Greater assurance is found in the exchanges of simple honesty and directness, among men resolved to accomplish as becomes leaders among nations, when civilization itself has come to its crucial test.

It is not to be challenged that government fails when the excess of its cost robs the people of the way to happiness and the opportunity to achieve. If the finer sentiments were not urging, the cold, hard facts of excessive cost and the eloquence of economics would urge us to reduce our armaments. If the concept of a better order does not appeal, then let us ponder the burden and the blight of continued competition.

It is not to be denied that the world has swung along throughout the ages without heeding this call from the kindlier hearts of men. But the same world never before was so tragically brought to realization of the utter futility of passion's sway when reason and conscience and fellowship point a nobler way.

I can speak officially only for our United States. Our hundred millions frankly want less of armament and none of war. Wholly free from guile, sure in our own minds that we harbor no unworthy designs, we accredit the world with the same good intent. So I welcome you, not alone in good will and high purpose, but with high faith.

We are met for a service to mankind. In all simplicity, in all honesty and all honor, there may be written here the avowals of a world conscience refined by the consuming fires of war, and made more sensitive by the anxious aftermath. I hope for that understanding which will emphasize the guarantees of peace, and for commitments to less burdens and a better order which will tranquilize the world. In such an accomplishment there will be added glory to your flags and ours, and the rejoicing of mankind will make the transcending music of all succeeding time.

SECRETARY HUGHES'S OPENING ADDRESS

[On nomination of Mr. Balfour, of Great Britain, Secretary of State Hughes was unanimously chosen the chairman of the Conference. His opening address, following that of President Harding, was as follows:]

Gentlemen, it is with a deep sense of privilege and responsibility that I accept the honor you have conferred.

Permit me to express the most cordial appreciation of the assurances of friendly cooperation which have been generously expressed by the representatives of all the invited Governments. The earnest desire and purpose, manifested in every step in the approach to this meeting, that we should meet the reasonable expectation of a watching world by effective action suited to the opportunity is the best augury for the success of the conference.

The President invited the Governments of the British Empire, France, Italy, and Japan to participate in a conference on the subject of limitation of armament, in connection with which Pacific and Far Eastern questions would also be discussed. It would have been most agreeable to the President to have invited all the Powers to take part in this conference, but it was thought to be a time when other considerations should yield to the practical requirements of the existing exigency, and in this view the invitation was extended to the group known as the principal Allied and associated Powers, which, by reason of the conditions produced by the war, control in the main the armament of the world. The opportunity to limit armament lies within their grasp.

It was recognized, however, that the interests of other Powers in the Far East made it appropriate that they should be invited to participate in the discussion of Pacific and Far Eastern problems, and, with the approval of the five Powers, an invitation to take part in the discussion of those questions has been extended to Belgium, China, The Netherlands and Portugal.

The inclusion of the proposal for the discussion of Pacific and Far Eastern questions was not for the purpose of embarrassing or delaying an agreement for limitation of armament, but rather to support that undertaking by availing ourselves of this meeting to endeavor to reach a common understanding as to the principles and policies to be followed in the Far East, and thus greatly to diminish, and if possible wholly to remove, discernible sources of controversy. It is believed that by interchanges of views at this opportune time the Governments represented here may find a basis of accord and thus give expression to their desire to assure enduring friendship.

In the public discussions which have preceded the conference there have been apparently two competing views; one, that the consideration of armament should await the result of the discussion of Far Eastern questions, and another, that the latter discussion should be postponed until an agreement for limitation of armament has been reached. I am unable to find sufficient reason for adopting either of these extreme views. I think that it would be most unfortunte if we should disappoint the hopes which have attached to this meeting by a postponement of the consideration of the first subject. The world looks to this conference to relieve humanity of the crushing burden created by competition in armament, and it is the view of the American Government that we should meet that expectation without any unnecessary delay. It is therefore proposed that the conference should proceed at once to consider the question of the limitation of armament.

This, however, does not mean that we must postpone the examination of Far Eastern questions. These questions of vast importance press for solution. It is hoped that immediate provision may be made to deal with them adequately, and it is suggested that it may be found to be entirely practicable through the distribution of the work among designated committees to make progress to the ends sought to be achieved without either subject being treated as a hindrance to the proper consideration and disposition of the other.

The proposal to limit armament by an agreement of the Powers is not a new one, and we are admonished by the futility of earlier efforts. It may be well to recall the noble aspirations which were voiced twenty-three years ago in the imperial rescript of His Majesty the Emperor of Russia. It was then pointed out with clarity and emphasis that "The intellectual and physical strength of the nations' labor and capital are for the major part diverted from their natural application and unproductively consumed. Hundreds of millions are devoted to acquiring terrible engines of destruction, which, though today regarded as the last word of science, are destined tomorrow to lose all value in consequence of some fresh discovery in the same field. National culture, economic progress, and the production of wealth are either paralyzed or checked in their development. Moreover, in proportion as the armaments of each Power increase, so do they less and less fulfill the object which the Governments have set before themselves. The economic crises, due in great part to the system of armaments a l'outrance and the continual danger which lies in this massing of war materials, are transforming the armed peace of our days into a crushing burden, which the peoples have more and more difficulty in bearing. It appears evident, then, that if this state of things were prolonged it would inevitably lead to the calamity which it is desired to avert, and the horrors of which make every thinking man shudder in advance. To put an end to these incessant armaments and to seek the means of warding off the calamities which are threatening the whole word—such is the supreme duty which is today imposed on all States."

It was with this sense of obligation that His Majesty the Emperor of Russia proposed the conference which was "to occupy itself with this grave problem" and which met at The Hague in the year 1899. Important as were the deliberations and conclusions of that conference, especially with respect to the pacific settlement of international disputes, its result in the specific matter of limitation of armament went no further than the adoption of a final resolution setting forth the opinion "that the restriction of military charges, which are at present a heavy burden on the world, is extremely desirable for the increase of the material and moral welfare of mankind," and the utterance of the wish that the Governments "may examine the possibility of an agreement as to the limitation of armed forces by land and sea, and of war budgets."

It was seven years later that the Secretary of State of the United States, Mr. Elihu Root, in answering a note of the Russian ambassador suggesting in outline a program of the second peace conference, said: "The Government of the United States, therefore, feels it to be its duty to reserve for itself the liberty to propose to the second peace conference, as one of the subjects for consideration, the reduction or limitation of armaments, in the hope that, if nothing further can be accomplished, some slight advance may be made toward the realization of the lofty conception which actuated the Emperor of Russia in calling the first conference." It is significant that the Imperial German Government expressed itself as "absolutely opposed to the question of disarmament" and that the Emperor of Germany threatened to decline to send delegates if the subject of disarmament was to be discussed. In view, however, of the resolution which had been adopted at the first Hague conference the delegates of the United States were instructed that the subject of limitation of armament "should be regarded as unfinished business, and that the second conference should ascertain and give full consideration to the results of such examination as the Governments may have given to the possibility of an agreement pursuant to the wish expressed by the first conference." But by reason of the obstacles which the subject had encountered, the second peace conference at The Hague, although it made notable progress in provision for the peaceful settlement of controversies, was unable to deal with limitation of armament except by a resolution in the following general terms: "The conference confirms the resolution adopted by the conference of 1899 in regard to the limitation of military expenditure; and inasmuch as military expenditure has considerably increased in almost every country since that time, the conference declares that it is eminently desirable that the Governments should resume the serious examination of this question."

This was the fruition of the efforts of eight years. Although the effect was clearly perceived, the race in preparation of armament, wholly unaffected by these futile suggestions, went on until it fittingly culminated in the greatest war of history; and we are now suffering from the unparalleled loss of life, the destruction of hopes, the economic dislocations, and the widespread impoverishment which measure the cost of the victory over the brutal pretensions of military force.

But if we are warned by the inadequacy of earlier endeavors for limitation of armament, we can not fail to recognize the extraordinary opportunity now presented. We not only have the lessons of the past to guide us, not only do we have the reaction from the disillusioning experiences of war, but we must meet the challenge of imperative economic demands. What was convenient or highly desirable before is now a matter of vital necessity. If there is to be economic rehabilitation, if the longings for reasonable progress are not to be denied, if we are to be spared the uprisings of peoples made desperate in the desire to shake off burdens no longer endurable, competition in armament must stop. The present opportunity not only derives its advantage from a general appreciation of this fact, but the power to deal with the exigency now rests with a small group of nations, represented here, who have every reason to desire peace and to promote amity. The astounding ambition which lay athwart the promise of the second Hague conference no longer menaces the world, and the great opportunity of liberty-loving and peace-preserving democracies has come. Is it not plain that the time has passed for mere resolutions that the responsible Powers should examine the question of limitation of armament? We can no longer content ourselves with investigations, with statistics, with reports, with the circumlocution of inquiry. The essential facts are sufficiently known. The time has come, and this conference has been called, not for general resolutions or mutual advice, but for action. We meet with full understanding that the aspirations of mankind are not to be defeated either by plausible suggestions of postponement or by impracticable counsels of perfection. Power and responsibility are here, and the world awaits a practicable program which shall at once be put into execution.

I am confident that I shall have your approval in suggesting that in this matter, as well as in others before the conference, it is desirable to follow the course of procedure which has the best promise of achievement rather than one which would facilitate division; and thus, constantly aiming to agree so far as possible, we shall, with each point of agreement, make it easier to proceed to others.

The question, in relation to armament, which may be regarded as of primary importance at this time, and with which we can deal most promptly and effectively, is the limitation of naval armament. There are certain general considerations which may be deemed pertinent to this subject.

The first is that the core of the difficulty is to be found in the competition in naval programs, and that, in order appropriately to limit naval armament, competition in its production must be abandoned. Competition will not be remedied by resolves with respect to the method of its continuance. One program inevitably leads to another, and if competition continues its regulation is impractible. There is only one adequate way out and that is to end it now.

It is apparent that this can not be accomplished without serious sacrifices. Enormous sums have been expended upon ships under construction, and building programs which are now under way can not be given up without heavy loss. Yet if the present construction of capital ships goes forward other ships will inevitably be built to rival them and this will lead to still others. Thus the race will continue so long as ability to continue lasts. The effort to escape sacrifices is futile. We must face them or yield our purpose.

It is also clear that no one of the naval Powers should be expected to make these sacrifices alone. The only hope of limitation of naval armament is by agreement among the nations concerned, and this agreement should be entirely fair and reasonable in the extent of the sacrifices required of each of the Powers. In considering the basis of such an agreement, and the commensurate sacrifices to be required, it is necessary to have regard to the existing naval strength of the great naval Powers, including the extent of construction already effected in the case of ships in process. This follows from the fact that one nation is as free to compete as another, and each may find grounds for its action.

What one may do another may demand the opportunity to rival, and we remain in the thrall of competitive effort. I may add that the American delegates are advised by their naval experts that the tonnage of capital ships may fairly be taken to measure the relative strength of navies, as the provision for auxiliary combatant craft should sustain a reasonable relation to the capital ship tonnage allowed.

It would also seem to be a vital part of a plan for the limitation of naval armament that there should be a naval holiday. It is proposed that for a period of not less than ten years there should be no further construction of capital ships.

I am happy to say that I am at liberty to go beyond these general propositions, and on behalf of the American delegation, acting under the instructions of the President of the United States, to submit to you a concrete proposition for an agreement for the limitation of naval armament.

It should be added that this proposal immediately concerns the British Empire, Japan, and the United States. In view of the extraordinary conditions due to the World War affecting the existing strength of the navies of France and Italy, it is not thought to be necessary to discuss at this stage of the proceedings the tonnage allowance of these nations, but the United States proposes that this matter be reserved for the later consideration of the conference.

In making the present proposal the United States is most solicitous to deal with the question upon an entirely reasonable and practicable basis, to the end that the just interests of all shall be adequately guarded and that national security and defense shall be maintained. Four general principles have been applied:

(1) That all capital-ship building programs, either actual or projected, should be abandoned;

(2) That further reduction should be made through the scrapping of certain of the older ships;

(3) That in general regard should be had to the existing naval strength of the Powers concerned;

(4) That the capital-ship tonnage should be used as the measurement of strength for navies and a proportionate allowance of auxiliary combatant craft prescribed.

The principal features of the proposed agreement are as follows:

CAPITAL SHIPS

UNITED STATES

The United States is now completing its program of 1916 calling for ten new battleships and six battle cruisers. One battleship has been completed. The others are in various stages of construction; in some cases from 60 to over 80 per cent of the construction has been done. On these fifteen capital ships now being built over $330,000,000 have been spent. Still the United States is willing in the interest of an immediate limitation of naval armament to scrap all of these ships.

The United States proposes if this plan is accepted—

(1) To scrap all capital ships now under construction. This includes six battle cruisers and seven battleships on the ways and in course of building, and two battleships launched.

The total number of new capital ships thus to be scrapped is fifteen. The total tonnage of the new capital ships when completed would be 618,000 tons.

(2) To scrap all of the older battleships up to, but not including, the *Dela-*

ware and *North Dakota.* The number of these old battleships to be scrapped is fifteen. Their total tonnage is 227,740 tons.

Thus the number of capital ships to be scrapped by the United States, if this plan is accepted, is thirty, with an aggregate tonnage (including that of ships in construction, if completed) of 845,740 tons.

GREAT BRITAIN.

The plan contemplates that Great Britain and Japan shall take action which is fairly commensurate with this action on the part of the United States.

It is proposed that Great Britian—

(1) Shall stop further construction on the four new Hoods, the new capital ships not laid down but upon which money has been spent. These four ships, if completed, would have tonnage displacement of 172,000 tons.

(2) Shall, in addition, scrap her predreadnaughts, second-line battleships, and first-line battleships up to, but not including, the *King George V* class.

These, with certain predreadnaughts which it is understood have already been scrapped, would amount to nineteen capital ships and a tonnage reduction of 411,375 tons.

The total tonnage of ships thus to be scrapped by Great Britain (including the tonnage of the four Hoods, if completed) would be 583,375 tons.

JAPAN.

It is proposed that Japan—

(1) Shall abandon her program of ships not yet laid down, viz., the *Kii, Owari, No. 7* and *No. 8* battleships, and *Nos. 5, 6, 7,* and *8* battle cruisers.

It should be observed that this does not involve the stopping of construction, as the construction of none of these ships has been begun.

(2) Shall scrap three capital ships (the *Mutsu* launched, the *Tosa,* and *Kago* in course of building) and four battle cruisers (the *Amagi* and *Akagi* in course of building, and the *Atoga* and *Takao* not yet laid down, but for which certain material has been assembled).

The total number of new capital ships to be scrapped under this paragraph is seven. The total tonnage of these new capital ships when completed would be 289,100 tons.

(3) Shall scrap all predreadnaughts and battleships of the second line. This would include the scrapping of all ships up to, but not including, the *Settsu;* that is, the scrapping of ten older ships, with a total tonnage of 159,828 tons.

The total reduction of tonnage on vessels existing, laid down, or for which material has been assembled (taking the tonnage of the new ships when completed), would be 448,928 tons.

Thus, under this plan there would be immediately destroyed, of the navies of the three Powers, sixty-six capital fighting ships, built and building, with a total tonnage of 1,878,043.

It is proposed that it should be agreed by the United States, Great Britain and Japan that their navies, with respect to capital ships, within three months after the making of the agreement shall consist of certain ships designated in the proposal and numbering for the United States eighteen, for Great Britain twenty-two, for Japan ten.

The tonnage of these ships would be as follows: Of the United States, 500,650; of Great Britain, 604,450; of Japan, 299,700. In reaching this result, the age factor in the case of the respective navies has received appropriate consideration.

REPLACEMENT.

With respect to replacement, the United States proposes—

(1) That it be agreed that the first replacement tonnage shall not be laid down until ten years from the date of the agreement;

(2) That replacement be limited by an agreed maximum of capital ship tonnage as follows:

	Tons
For the United States	500,000
For Great Britain	500,000
For Japan	300,000

(3) That subject to the ten-year limitation above fixed and the maximum standard, capital ships may be replaced when they are twenty years old by new capital ship construction.

(4) That no capital ship shall be built in replacement with a tonnage displacement of more than 35,000 tons.

I have sketched the proposal only in outline, leaving the technical details to be supplied by the formal proposition which is ready for submission to the delegates.

The plan includes provision for the limitation of auxiliary combatant craft. This term embraces three classes, that is (1) auxiliary surface combatant craft, such as cruisers (exclusive of battle cruisers), flotilla, leaders, destroyers, and various surface types; (2) submarines; and (3) airplane carriers.

I shall not attempt to review the proposals for these various classes, as they bear a definite relation to the provisions for capital fighting ships.

With the acceptance of this plan the burden of meeting the demands of competition in naval armament will be lifted. Enormous sums will be released to aid the progress of civilization. At the same time the proper demands of national defense will be adequately met and the nations will have ample opportunity during the naval holiday of ten years to consider their future course. Preparation for offensive naval war will stop now.

I shall not attempt at this time to take up the other topics which have been listed upon the tentative agenda proposed in anticipation of the conference.

CHINA'S "TEN POINTS"

[The ten proposals submitted to the Conference by the Chinese delegation on November 16 were as follows:]

1. (a) The Powers engage to respect and observe the territorial intergrity and political and administrative independence of the Chinese Republic.

(b) China upon her part is prepared to give an undertaking not to alienate or lease any portion of her territory or littoral to any power.

2. China, being in full accord with the principle of the so-called open door, or equal opportunity for the commerce and industry of all nations having treaty relations with China, is prepared to accept and apply it in all parts of the Chinese Republic without exception.

3. With a view to strengthening mutual confidence and maintaining peace in the Pacific and the Far East, the Powers agree not to conclude among themselves any treaty or agreement directly affecting China or the general peace in these regions without previously notifying China and giving her an opportunity to participate.

4. All special rights, privileges, immunities or commitments, whatever their character or contractual basis, claimed by any of the Powers in or relating to China are to be declared, and all such or future claims not so made known are to be deemed null and void. The rights, privileges, immunities and commitments now known to be declared are to be examined with a view to determining their

scope and validity, and if valid, to harmonize them with one another and with the principles declared by this conference.

5. Immediately, or as soon as circumstances will permit, existing limitations upon China's political, jurisdictional and administrative freedom of action are to be removed.

6. Reasonable, definite terms of duration are to be attached to China's present commitments, which are without time limits.

7. In the interpretation of instruments granting special rights or privileges, the well-established principle of construction that such grants shall be strictly construed in favor of the grantors is to be observed.

8. China's rights as a neutral are to be fully respected in future wars to which she is not a party.

9. Provision is to be made for the peaceful settlement of international disputes in the Pacific and the Far East.

10. Provision is to be made for future conferences to be held from time to time for the discussion of international questions relative to the Pacific and the Far East as a basis for the determination of common policies of the signatory Powers in relation thereto.

THE FOUR-POWER PACIFIC TREATY

[At the plenary session of the Conference on December 10, Senator Lodge, for the United States delegation, read the text of a proposed treaty, as follows:]

The United States of America, the British Empire, France, and Japan—

With a view to the preservation of the general peace and the maintenance of their rights in relation to their insular possessions and insular dominions in the region of the Pacific Ocean—

Have determined to conclude a treaty to this effect and have appointed as their plenipotentiaries—

The President of the United States of America,

His Majesty the King of the United Kingdom of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India,

And for the Dominion of Canada,

For the Commonwealth of Australia,

For the Dominion of New Zealand,

For India,

The President of the French Republic,

His Majesty the Emperor of Japan.

Who having communicated their full powers, found in good and due form, have agreed as follows:

I.

The high contracting parties agree as between themselves to respect their rights in relation to their insular possessions and insular dominions in the region of the Pacific Ocean,

If there should develop between any of the high contracting parties a controversy arising out of any Pacific question and involving their said rights which is not satisfactorily settled by diplomacy, and is likely to affect the harmonious accord now happily subsisting between them, they shall invite the other high contracting parties to a joint conference to which the whole subject will be referred for consideration and adjustment.

II.

If the said rights are threatened by the aggressive action of any other Power the high contracting parties shall communicate with one another fully and frankly in order to arrive at an understanding as to the most efficient measures to be taken, jointly or separately, to meet the exigencies of the particular situation.

III.

This agreement shall remain in force for ten years from the time it shall take effect, and after the expiration of said period it shall continue to be in force subject to the right of any of the high contracting parties to terminate it upon twelve months' notice.

IV.

This agreement shall be ratified as soon as possible in accordance with the constitutional methods of the high contracting parties and shall take effect on the deposit of ratifications, which shall take place at Washington, and thereupon the agreement between Great Britain and Japan, which was concluded at London on July 13, 1911, shall terminate.

AMERICAN DELEGATION'S RESERVATIONS TO THE ABOVE TREATY

[In signing the treaty on December 13, the American delegation made the following reservations in writing:]

In signing the treaty this day between the United States of America, the British Empire, France, and Japan, it is declared to be the understanding and intent of the signatory Powers:

(1) That the treaty shall apply to the mandated islands in the Pacific Ocean, provided, however, that the making of the treaty shall not be deemed to be an assent on the part of the United States of America to the mandates and shall not preclude agreements between the United States of America and the mandatory Powers respectively in relation to the mandated islands.

(2) That the controversies to which the second paragraph of Article 1 refers shall not be taken to embrace questions which, acording to principles of international law, lie exclusively within the domestic jurisdiction of the respective Powers.

AMERICAN-JAPANESE AGREEMENT ON YAP AND OTHER PACIFIC ISLANDS

[Made Public at Washington, December 12, 1921.]

1. It is agreed that the United States shall have free access to the Island of Yap on the footing of entire equality with Japan or any other nation in all that relates to the landing and operation of the existing Yap-Guam cable or of any cable which may hereafter be laid by the United States or its nationals.

2. It is also agreed that the United States and its nationals are to be accorded the same rights and privileges with respect to radio telegraphic service as with regard to cables. It is provided that so long as the Japanese Government shall maintain on the Island of Yap an adequate radio telegraphic station, cooperating effectively with the cables and with other radio stations on ships and shore, without discriminatory exactions or preferences, the exercise of the right to establish radio telegraphic stations at Yap by the United States or its nationals shall be suspended.

3. It is further agreed that the United States shall enjoy in the Island of Yap the following rights, privileges and exemptions in relation to electrical communications:

(*a*) Right of residence without restriction; and rights of acquisition and enjoyment and undisturbed possession upon a footing of entire equality with Japan or any other nation or their respective nationals of all property and interests, both personal and real, including lands, buildings, residences, offices, works and appurtenances.

(*b*) No permit or license to be required for the enjoyment of any of these rights and privileges.

(*c*) Each country to be free to operate both ends of its cables, either directly or through its nationals, including corporations or associations.

(*d*) No cable censorship or supervision of operation or messages.

(*e*) Free entry and exit for persons and property.

(*f*) No taxes, port, harbor or landing charges or exactions, either with respect to operation of cables or to property, persons or vessels.

(*g*) No discriminatory police regulations.

4. Japan agrees that it will use its power of expropriation to secure to the United States needed property and facilities for the purpose of electrical communication in the island, if such property or facilities cannot otherwise be obtained. It is understood that the location and area of land to be so expropriated shall be arranged each time between the two governments according to the requirements of each case. American property and facilities for the purpose of electrical communication in the island are to be exempt from the process of expropriation.

5. The United States consents to the administration by Japan of the mandated islands in the Pacific Ocean north of the equator, subject to the above provisions with respect to the Island of Yap and also subject to the following conditions:

(*a*) The United States is to have the benefit of the engagements of Japan set forth in the mandate, particularly those as follows:

Article III.—"The mandatory shall see that the slave trade is prohibited and that no forced labor is permitted except for essential public work and services, and then only for adequate remuneration.

"The mandatory shall also see that the traffic in arms and ammunition is controlled in accordance with principles analogous to those laid down in the convention relating to the control of the arms traffic signed on September 10, 1919, or in any convention amending same.

"The supply of intoxicating spirits and beverages to the natives shall be prohibited."

Article IV.—"The military training of the natives, otherwise than for purposes of internal police and the local defense of the territory, shall be prohibited. Furthermore, no military or naval bases shall be established or fortifications erected in the territory."

(*b*) With respect to missionaries, it is agreed that Japan shall insure complete freedom of conscience and the free exercise of all forms of worship which are consonant with public order and morality, and that missionaries of all such religions shall be free to enter the territory and to travel and reside therein, to acquire and possess property, to erect religious buildings and to open schools throughout the territory. Japan shall, however, have the right to exercise such control as may be necessary for the maintenance of public order and good government and to take all measures required for such control.

(*c*) Japan agrees that vested American property rights will be maintained and respected.

(*d*) It is agreed that the treaties between the United States and Japan now in force shall apply to the mandated islands.

(*e*) It is agreed that any modifications in the mandate are to be subject to the consent of the United States, and, further, that Japan will address to the United States a duplicate report on the administration of the mandate.

A formal convention embodying these provisions will be drawn up for signature and will be subject to ratification by the Senate.

AGREEMENT ON CAPITAL FIGHTING SHIPS

[Officially Announced at Washington, December 15, 1921.]

The following are the points of agreement that have been reached in the course of the negotiations between the United States of America, Great Britain and Japan with respect to their capital fighting ships:

An agreement has been reached between the three Powers—the United States of America, the British Empire and Japan—on the subject of naval ratio. The proposal of the American Government that the ratio should be 5-5-3 is accepted.

It is agreed that with respect to fortifications and naval bases in the Pacific region, including Hongkong, the status quo shall be maintained, that is, that there shall be no increase in these fortifications and naval bases, except that this restriction shall not apply to the Hawaiian Islands, Australia, New Zealand and the islands composing Japan proper, or, of course, to the coasts of the United States and Canada, as to which the respective Powers retain their entire freedom.

The Japanese Government has found special difficulty with respect to the *Mutsu,* as that is their newest ship. In order to retain the *Mutsu,* Japan has proposed to scrap the *Settsu,* one of her older ships, which, under the American proposal, was to have been retained. This would leave the number of Japan's capital ships the same, that is, ten, as under the American proposal. The retention of the *Mutsu* by Japan in place of the *Settsu* makes a difference in net tonnage of 13,600 tons, making the total tonnage of Japan's capital ships 313,300 tons, as against 299,700 tons under the original American proposal.

While the difference in tonnage is small, there would be considerable difference in efficiency, as the retention of the *Mutsu* would give to Japan two post-Jutland ships of the latest design.

In order to meet this situation and to preserve the relative strength on the basis of the agreed ratio, it is agreed that the United States shall complete two of the ships in course of construction, that is, the *Colorado* and the *Washington,* which are now about 90 per cent completed, and scrap two of the older ships, that is, the *North Dakota* and the *Delaware,* which, under the original proposal were to be retained.

This would leave the United States with the same number of capital ships, that is, eighteen, as under the original proposal, with a tonnage of 525,850 tons, as against 500,650 tons as originally proposed. Three of these ships would be post-Jutland ships of the Maryland type.

As the British have no post-Jutland ships except one Hood, the construction of which is only partly post-Jutland, it is agreed that in order to maintain proper relative strength the British Government may construct two new ships, not to exceed 35,000 legend tons each, that is, calculating the tonnage according to British standards of measurement, or, according to American calculations, the equivalent of 37,000 tons each.

It is agreed that the British Government shall, on the completion of these two new ships, scrap four of their ships of the King George V. type, that is, the *Erin, King George V., Centurion* and *Ajax,* which were to have been retained under the original American proposal. This would leave the British capital ships in number twenty, as against twenty-two under the American proposal.

Taking the tonnage of the two new ships according to American calculation, it would amount to 74,000. And the four ships scrapped having a tonnage of 96,400 tons, there would be a reduction in net tonnage of 22,400 tons, leaving the British tonnage of capital ships 582,050 instead of 604,450. This would give the British as against the United States an excess tonnage of 56,200 tons, which is deemed to be fair, in view of the age of the ships of the Royal Sovereign and the Queen Elizabeth types.

The maximum limitation for the tonnage of ships to be constructed in replacement is to be fixed at 35,000 legend tons, that is, according to British standards of measurement, or, according to American calculations, the equivalent of 37,000 tons.

In order to give accommodation to these changes, the maximum tonnage of capital ships is fixed, for the purpose of replacement, on the basis of American standards of calculation, as follows:

United States, 525,000 tons.
Great Britain, 525,000 tons.
Japan, 315,000 tons.

Comparing this arrangement with the original American proposal, it will be observed that the United States is to scrap thirty ships as proposed, save that there will be scrapped thirteen of the fifteen ships under construction and seventeen instead of fifteen of the older ships.

The total tonnage of the American capital ships to be scrapped under the original proposal, including the tonnage of ships in construction, if completed, was stated to be 845,740 tons. Under the present arrangement the tonnage of the thirty ships to be scrapped, taking that of the ships in construction if completed, would be 820,540 tons.

The number of the Japanese ships to be retained remains the same as under the original proposal. The total tonnage of the ships to be scrapped by Japan under the original American proposal, taking the tonnage of new ships when completed, was stated to be 448,923. The total tonnage of the ships to be scrapped under the present arrangement is 435,328 tons.

Under the original proposal Great Britain was to scrap nineteen capital ships (including certain predreadnaughts already scrapped), whereas under the present arrangement she will scrap four more, or a total of twenty-three. The total tonnage of ships to be scrapped by Great Britain, including the tonnage of the four Hoods to which the proposal referred as laid down, if completed, was stated to be 583,375 tons. The corresponding total of scrapped ships under the new arrangement will be 22,600 tons more, or 605,975 tons.

Under the American proposal there were to be scrapped sixty-six capital fighting ships built and building, with a total tonnage (taking ships laid down as completed) of 1,878,043 tons. Under the present arrangement, on the same basis of calculation, there are to be scrapped sixty-eight capital fighting ships with a tonnage of 1,861,643 tons.

The naval holiday of ten years with respect to capital ships as originally proposed by the American Government is to be maintained except for the permission to construct ships as above stated.

This arrangement between the United States, Great Britain and Japan, is, so far as the number of ships to be retained and scrapped is concerned, dependent upon a suitable agreement with France and Italy as to their capital ships, a matter which is now in course of negotiation.

NOTE FROM HUGHES TO BRIAND

[Danger to Naval Agreement in Stand of France.]

December 16, 1921.

My dear M. Briand:

In view of your distinguished service at the Conference on Limitation of Armament and of my responsibilities as chairman of the conference, I venture to address to you this personal word. I am happy to say that the conversations between the United States, Great Britain and Japan as to the proposal which I made on behalf of the American Government at the opening of the conference with respect to capital ships have resulted in a provisional agreement. Great Britain and Japan have accepted the naval ratio as proposed and the reduction of capital ships with such modifications as do not seriously affect the principle involved. Japan keeps the *Mutsu* and scraps the *Settsu.*

The United States finishes two ships—the *Colorado* and the *Washington,* now about 90 per cent completed—and scraps the *North Dakota* and the *Delaware.* Great Britain will build two new ships and scrap four, to wit, the *Erin,* the *King George V,* the *Centurion* and the *Ajax.* The result is that the United States still scraps thirty ships—that is, thirteen of the ships under construction and seventeen, instead of fifteen, of the older ships—leaving the number of ships the same as under the original proposal, with a tonnage of 525,000 tons, instead of 500,000 tons. Thus the United States scraps 322,000 tons of her ships (exclusive of predreadnaughts). Great Britain and Japan scrap to an equivalent extent. Japan retains the same number of ships as proposed and scraps seventeen as proposed, her new tonnage being 313,300, instead of about 300,000.

Great Britain scraps 22,600 tons more than originally proposed, leaving her tonnage 582,000, instead of 604,400, her excess being allowed in view of the age of her existing ships. The new limits are very little different from those proposed, being 525,000 tons for the United States and Great Britain and 315,000 tons for Japan. The naval holiday as to capital ships is agreed upon except for the construction of the ships above mentioned. In short, under the original American proposal there were to be scrapped by the three Powers sixty-six capital fighting ships, built and building, with a total tonnage (taking ships laid down as completed) of 1,878,000 tons. Under the present arrangement, on the same basis of calculation, there are to be scrapped sixty-eight capital fighting ships, with a tonnage of 1,861,000 tons.

You will thus observe that there has been simply a slight readjustment in the three navies with respect to the ships retained, but that the sacrifices proposed by the American Government have substantially been made and the principle as laid down is being carried out so far as these three Powers are concerned.

The agreement, however, as to the number of ships to be retained by them is dependent upon an appropriate agreement with France and Italy with respect to their capital ships. Italy is desirous to reduce her capital ships, because of the obvious requirements of her economic life, to the lowest possible basis, and there will not be the slightest difficulty in making an agreement with Italy if we can reach a suitable understanding with France.

You will observe the attitude of France will determine the success or failure of these efforts to reduce the heavy burden of naval armament.

In dealing with Great Britain and Japan we have taken facts as they are. We have avoided an academic discussion of national needs and aspirations which in the nature of things could not be realized. It has been pointed out that the ratio of strength in capital ships is that which exists, and that it is futile to desire a better one, for it cannot be obtained if nations with abundant resources build against each other in competition. The predreadnaughts possessed by the three Powers are to be scrapped without any suggestion of replacement, and there has been a reduction of more than 40 per cent of the naval strength represented by dreadnaughts and superdreadnaughts. Now, France has seven dreadnaughts, with a tonnage of 164,500. Reducing in the same proportion as the United States has reduced, her tonnage of capital ships would be fixed at 102,000; or if the predreadnaughts of France were taken into calculation on her side, although omitted on the side of the United States, the total tonnage of France's capital ships being taken at 221,000, a reduction on the same basis would reduce France to 136,000 tons.

This would be the sacrifice of France if she made the same sacrifices that have been made by the other Powers. We do not ask this. We are entirely willing that France should have the benefit of an increased tonnage which would preclude the necessity of her scrapping her dreadnaughts. That is to say, her present strength in dreadnaughts is about 164,000 tons, and there is not the slightest objection to allowing this and an increase over this, or a total of 175,000 tons, which would be more than 70,000 tons over what she would have on the basis of relative strength as it exists.

If it be said that France desires a greater relative strength the obvious answer is that this would be impossible of attainment. If such an agreement as we are now proposing were not made the United States and Great Britain would very shortly have navies of over a million tons, more than six to one compared with France, and France would not be in a position to better herself, much less by any possible endeavor to obtain such a relative strength as has been suggested. In short, the proposed agreement is tremendously in favor of France by reducing the navies of Powers who not only are able to build, but whose ships are actually in course of construction, to a basis far more favorable to France than would otherwise be attainable. The proposed agreement really doubles the relative strength of the French navy.

In these circumstances I feel that the suggestion that has been made that France should build ten new capital ships in replacement with a tonnage of 300,000 tons or more suggests a program of such magnitude as to raise the greatest difficulties; in fact, I regret to say that after canvassing the matter thoroughly and taking the best information I can obtain I am compelled to conclude that it would not be possible on this basis to carry through the agreement.

I need not point out to you our great desire, which you yourself have so eloquently expressed, that the economic burden of armament should be lifted. It is not against the interests of France that we express the hope that her industry and resources will be devoted to economic recuperation and the enhancement of her prosperity rather than be expended in the building of fighting ships. The particular situation of France with respect to land armament you have vividly portrayed; but that points, as it seems to us, to the very great importance of reduction in naval armament. At this time, when we are anxious to aid France in full recovery of her economic life, it would be most disappointing to be advised that she was contemplating putting hundreds of millions into battleships.

I have spoken to you thus frankly because of my deep appreciation of your friendship and of your solicitude for the success of the efforts we are making, and in the hope that the present matter, which represents perhaps the most critical position yet reached in the conference, may be adjusted on a satisfactory basis. I repeat that the provisional agreement reached with Great Britain and Japan hinges upon an appropriate agreement with France, and I cannot too strongly urge the most careful consideration of all the matters to which I have taken the liberty to allude. Permit me to assure you of my highest respect and of the keen desire we entertain in America that you should visit us again at an early date.

CHARLES E. HUGHES.

BRIAND'S ANSWER

LONDON, *December 18, 1921.*

My dear Mr. Hughes:

At the moment of my departure for London Mr. Herrick handed me your friendly telegram in regard to the difficulties which have arisen in the Naval Disarmament Commission in reference to the tonnage of capital ships which have been asked for by the French delegation.

You fear that the maintenance of this French request may have as its effect to hinder the agreement between the five Powers.

The will of the French Government is to do everything which is compatible with the care of the vital interests of France, with a view to reconcile our points of view.

In the question of naval armament the preoccupation of France is not the offensive point of view, but uniquely the defensive point of view.

With regard to the tonnage of capital ships, that is to say, attacking ships, which are the most costly, I have given instruction to our delegates in the sense which you desire. I am certain that I shall be sustained by my Parliament in this view.

But so far as the defensive ships are concerned (light cruisers, torpedo boats and submarines), it would be impossible for the French Government without putting itself in contradiction with the vote of the chambers, to accept reductions corresponding to those which we accept for capital ships under this formal reserve, which you certainly will understand.

The idea which dominates the Washington Conference is to restrict naval armaments which are offensive and costly. But I do not believe that it is in the program to deny to a nation like France, which has a large extent of coasts and a great number of distant colonies, the essential means of defending its communications and its security.

I am certain, my dear Mr. Hughes, that you will appreciate the effort of conciliation which we are making in order to respond to your request.

I beg you to kindly accept my cordial remembrances and the ardent wish which I form for the complete and striking success of the conference over which you preside with so much authority and brilliancy. BRIAND

STATEMENT BY PRESIDENT HARDING

[In an interview with newspaper correspondents on the afternoon of December 20, President Harding announced that, according to his understanding, the Four-Power Treaty did not cover the islands which form Japan proper. On the evening of the same day, however, the White House issued a statement to the effect that the American delegation to the Conference construed the treaty as covering Japan proper, and that the President had no objection to that construction. A later statement by President Harding alluding to this difference of opinion was as follows:]

THE WHITE HOUSE, *December 23, 1921.*

The President will offer no comment on the disputes which attempt to magnify the differing constructions on the Four-Power Treaty. To him these are unimportant. The big things aimed at are understanding for peace and an agreement to meet and discuss the preservation of peace whenever it is threatened.

No alliance or entanglement is thought of, none will be negotiated. It would be better to rejoice over things accomplished than to dwell on differing views which can be of no great consequence.

The President is unwilling that the unjustified charge that the United States delegates are withholding information shall go unchallenged. He had full confidence, else he had not chosen them, and he has full confidence now and is more than gratified over their efforts, because they are working out the greatest contribution to peace and good-will which has ever marked the Christmas time in all the Christian era.

It is one thing to talk about the ideals of peace, but the bigger thing is to seek the actuality. This the Conference is doing, in harmony with an overwhelming American sentiment and world sentiment, too, and in full accord with cherished American traditions.

HUGHES' TENTATIVE SUMMARY OF CONFERENCE'S ACHIEVEMENTS AND FAILURES

[Official Communiqué, December 28, 1921.]

After M. Sarraut, speaking for the French, had delivered his statement to the committee, declining, on the part of his Government, to yield upon submarines, Secretary Hughes said that the committee had heard the statement on behalf of the French Government; it was a definite statement, made after careful deliberation, and he assumed that it should be accepted as the final expression of the attitude of the French Government in regard to limitation of naval armament. He was greatly gratified at the willingness of the French Government to limit the tonnage of their capital ships to 175,000 tons. He felt that the importance of this statement should not in any way be minimized.

Capital ships were the chief weapon of offense. If the Conference could succeed, as it was now evident that it would, in reducing in a fairly satisfactory manner armament as represented in capital ships, it would have done much to relieve the burden of taxation and would aid in establishing a better basis for a lasting peace. He wished to repeat that he was highly gratified and appreciated the manner in which the problem had been approached by the French Government. He understood that there were certain reservations with respect to replacements and the duration of the agreement. These matters must receive further consideration and be the subject of continued negotiations.

He confessed that he was disappointed with the statement concerning submarine and auxiliary craft. If submarines were to be available for distinctly defensive purposes in connection with the movements of fleets, it would seem that they should bear some definite proportion to the fighting fleets; thus, if they were to be used in connection with the laying of mines, scouting, etc.—the necessities inherent in large defensive preparations—they should bear some relation to the operations of the fleet as a whole. The suggestion that France should have 90,000 tons of submarines would, on any basis of a practicable ratio, involve the assumption that Great Britain and the United States should greatly increase their submarine tonnage. This could hardly be called a limitation or reduction.

Furthermore, if a large number of submarines were to be provided, then cruisers and destroyers, the natural enemies of submarines, would have to be provided in numbers adequate to deal with the situation created by a large submarine fleet. It was a serious question whether there was hope of accomplishing anything like limitation in regard to submarines and auxiliary craft. He understood that the attitude of the French Government was that, regardless of the requirements of other nations, 90,000 tons of submarines was deemed to be the minimum essential for France. If this was so, the suggestion of 330,000 tons of auxiliary vessels for France would have its bearing on what was considered necessary for the other nations, and might make it difficult to arrive at an agreement limiting submarines and auxiliary craft.

He did not desire at this time and in view of the existing situation to discuss details, but he wished to say that an agreement for the expansion of armament was not under consideration. The Conference was called to consider the limitation of armament. He left it for the committee to decide, in the light of the very definite statement of the French Government, what was practicable to be done.

In conclusion, he wished to say that in expressing his disappointment in regard to submarines he did not wish in any way to detract from the importance of the definite acceptance by France of the program for capital ships. This was a matter of the first importance, and he could assure his French colleagues that their attitude was cordially and sincerely appreciated.

ROOT RESOLUTIONS ON SUBMARINES

[On January 5, 1922, the following resolutions, presented by Elihu Root, chairman of the subcommittee for drafting resolutions regarding submarines, were unanimously adopted at the meeting of the Committee on Limitation of Armament:]

I.

The signatory Powers, desiring to make more effective the rules adopted by civilized nations for the protection of the lives of neutrals and noncombatants at sea in time of war, declare that among those rules the following are to be deemed an established part of international law:

(1) A merchant vessel must be ordered to submit to visit and search to determine its character before it can be seized.

A merchant vessel must not be attacked unless it refuses to submit to visit and search after warning or to proceed as directed after seizure.

A merchant vessel must not be destroyed unless the crew and passengers have been first placed in safety.

(2) Belligerent submarines are not under any circumstances exempt from the universal rules above stated and if a submarine cannot capture a merchant vessel in conformity with these rules, the existing law of nations requires it to desist from attack and from seizures and to permit the merchant vessel to proceed unmolested.

II.

The signatory Powers invite all other civilized Powers to express their assent to the foregoing statement of established law so that there may be a clear public understanding throughout the world of the standards of conduct by which the public opinion of the world is to pass judgment upon future belligerents.

III.

The signatory Powers recognize the practical impossibility of using submarines as commerce destroyers without violating, as they were violated in the recent war of 1914-1918, the requirements universally accepted by civilized nations for the protection of the lives of neutrals and noncombatants, and to the end that the prohibition of the use of submarines as commerce destroyers shall be universally accepted as a part of the law of nations, they now accept that prohibition as henceforth binding as between themselves, and they invite all other nations to adhere thereto.

JAPANESE OCCUPANCY OF EASTERN SIBERIA AND SAKHALIN.

[At the meeting of the Committee on Pacific and Far Eastern Questions on January 24, 1922, Chairman Hughes made the following statement:]

The American Delegation has heard the statement by Baron Shidehara and has taken note of the assurances given on behalf of the Japanese Government with respect to the withdrawal of Japanese troops from the Maritime Province of Siberia and from the Province of Sakhalin. The American Delegation has also noted the assurance of Japan by her authorized spokesman that it is her fixed and settled policy to respect the territorial integrity of Russia, and to observe the principle of non-intervention in the internal affairs of that country, as well as the principle of equal opportunity for the commerce and industry of all nations in every part of the Russian possessions.

These assurances are taken to mean that Japan does not seek, through her military operation in Siberia, to impair the rights of the Russian people in any respect, or to obtain any unfair commercial advantages, or to absorb for her own use the Siberian fisheries, or to set up an exclusive exploitation either of the resources of Sakhalin or of the Maritime Province.

As Baron Shidehara pointed out, the military expedition of Japan to Siberia was originally undertaken in common accord and in cooperation with the United States. It will be recalled that public assurances were given at the outset by both Governments of a firm intention to respect the territorial integrity of Russia and to abstain from all interference in Russian politics. In view of the reference by Baron Shidehara to the participation of the American Government in the expedition of 1918, I should like to place upon our records for transmission to the Conference the purposes which were then clearly stated by both Governments.

The American Government set forth its aims and policies publicly in July, 1918. The purposes of the expedition were said to be, first, to help the Czecho-Slovaks consolidate their forces; second, to steady any efforts at self-government or self-defense in which the Russians themselves might be willing to accept assistance; and, third, to guard the military stores at Vladivostok.

The American Government opposed the idea of a military intervention, but regarded military action as admissible at the time solely for the purpose of helping the Czecho-Slovaks consolidate their forces and get into successful cooperation with their Slavic kinsmen, and to steady any efforts at self-government or self-defense in which the Russians themselves might be willing to accept assistance. It was stated that the American Government proposed to ask all associated in this course of action to unite in assuring the people of Russia in the most public and solemn manner that none of the governments uniting in action either in Siberia or in northern Russia contemplated any interference of any kind with the political sovereignty of Russia, any intervention in her internal affairs, or any impairment of her territorial integrity either now or thereafter, but that each of the Associated Powers had the single object of affording such aid as should be acceptable, and only such aid as should be acceptable, to the Russian people in their endeavor to regain control of their own affairs, their own territory and their own destiny.

What I have just stated is found in the public statement of the American Government at that time.

The Japanese Government, with the same purpose, set forth its position in a statement published by the Japanese Government on August 2, 1918, in which it was said:

> The Japanese Government, being anxious to fall in with the desires of the American Government and also to act in harmony with the Allies in this expedition, have decided to proceed at once to dispatch suitable forces for the proposed mission. A certain number of these troops will be sent forthwith to Vladivostok. In adopting this course, the Japanese Government remain unshaken in their constant desire to promote relations of enduring friendship with Russia and the Russian people, and reaffirm their avowed policy of respecting the territorial integrity of Russia and of abstaining from all interference in her internal politics. They further declare that, upon the realization of the projects above indicated, they will immediately withdraw all Japanese troops from Russian territory and will leave wholly unimpaired the sovereignty of Russia in all its phases, whether political or military.

The United States of America withdrew its troops from Siberia in the spring of 1920, because it considered that the original purpose of the expedition had either been accomplished or would no longer be subserved by continued military activity in Siberia. The American Government then ceased to be a party to the expedition, but it remained a close observer of events in Eastern Siberia and has had an extended diplomatic correspondence upon this subject with the Government of Japan.

It must be frankly avowed that this correspondence has not always disclosed an identity of views between the two governments. The United States has not been unmindful of the direct exposure of Japan to Bolshevism in Siberia and the special problems which the conditions existing there have created for the Japanese Government, but it has been strongly disposed to the belief that the public assurances given by the two governments at the inception of the joint expedition nevertheless required the complete withdrawal of Japanese troops from all Russian territory—if not immediately after the departure of the Czecho-Slovak troops, then within a reasonable time.

As to the occupation of Sakhalin in reprisal for the massacre of the Japanese at Nikolaievsk, the United States was not unimpressed by the serious character of that catastrophe; but, having in mind the conditions accepted by both governments at the outset of the joint expedition, of which the Nikolaievsk massacre must be considered an incident, it has regretted that Japan should deem necessary the occupation of Russian territory as a means of assuring a suitable adjustment with a future Russian Government.

The general position of the American Government was set forth in a communication to Japan of May 31, 1921. In that communication appears the following statement:

"The Government of the United States would be untrue to the spirit of cooperation which led it, in the summer of 1918, upon an understanding with the Government of Japan to dispatch troops to Siberia, if it neglected to point out that, in its view, continued occupation of the strategic centers in Eastern Siberia—involving the indefinite possession of the port of Vladivostok, the stationing of troops at Habarovsk, Nikolaievsk, De Castries, Mago, Sophiesk and other important points, the seizure of the Russian port of Sakhalin, and the establishment of a civil administration, which inevitably lends itself to misconception and antagonism—tends rather to increase than to allay the unrest and disorder in that region.

"The military occupation"—I am still reading from the note of May 31, 1921—"the military occupation in reprisal for the Nikolaievsk affair is not fundamentally a question of the validity of procedure under the recognized rules of international law."

The note goes on to say that "the issue presented is that of the scrupulous fulfillment of the assurances given to the Russian people, which were a matter of frank exchanges and of apparently complete understanding between the Governments of the United States and of Japan. These assurances were intended by the Government of the United States to convey to the people of Russia a promise on the part of the two governments not to use the joint expedition, or any incidents which might arise out of it, as an occasion to occupy territory, even temporarily, or to assume any military or administrative control over the people of Siberia."

Further, in the same note, the American Government stated its position as follows:

"In view of its conviction that the course followed by the Government of Japan brings into question the very definite understanding concluded at the time troops were sent to Siberia, the Government of the United States must in candor explain its position and say to the Japanese Government that the Government of the United States can neither now nor hereafter recognize as valid any claims or titles arising out of the present occupation and control, and that it cannot acquiesce in any action taken by the Government of Japan which might impair existing treaty rights or the political or territorial integrity of Russia.

"The Government of Japan will appreciate that, in expressing its views, the Government of the United States has no desire to impute to the Government of Japan motives or purposes other than those which have heretofore been so frankly avowed. The purpose of this Government is to inform the Japanese

Government of its own conviction that, in the present time of disorder in Russia, it is more than ever the duty of those who look forward to the tranquilization of the Russian people, and a restoration of normal conditions among them, to avoid all action which might keep alive their antagonism and distrust toward outside political agencies. Now, especially, it is incumbent upon the friends of Russia to hold aloof from the domestic contentions of the Russian people, to be scrupulous to avoid inflicting what might appear to them a vicarious penalty for sporadic acts of lawlessness, and above all to abstain from even the temporary and conditional impairment by any foreign Power of the territorial status which, for them, as for other peoples, is a matter of deep and sensitive national feeling transcending, perhaps, even the issues at stake among themselves."

To that American note the Japanese Government replied in July, 1921, setting forth in substance what Baron Shidehara has now stated to this committee, pointing out the conditions under which Japan had taken the action to which reference was made, and giving the assurances, which have here been reiterated, with respect to its intention and policy.

While the discussion of these matters has been attended with the friendliest feeling, it has naturally been the constant and earnest hope of the American Government—and of Japan as well, I am sure—that this occasion for divergence of views between the two Governments might be removed with the least possible delay. It has been with a feeling of special gratification, therefore, that the American Delegation has listened to the assurances given by their Japanese colleagues, and it is with the greatest friendliness that they reiterate the hope that Japan will find it possible to carry out within the near future her expressed intention of terminating finally the Siberian expedition and of restoring Sakhalin to the Russian people.

My suggestion would be, if it is not desired otherwise by the delegates, that the statement made on behalf of the Japanese Government by Baron Shidehara, and the one I have made setting forth the position of the American Government, which is as stated in its communication of May 31, 1921, which I have read, should be communicated to the Conference for the purpose of being spread upon its records. (Assented to.)

SINO-JAPANESE AGREEMENT ON SHANTUNG

[On February 1, 1922, it was announced that China and Japan had reached an agreement on the return of Shantung to China by Japan. A summary of the agreement is as follows:]

Article I. provides that Japan shall restore to China the former German leased territory. Japan and China each will appoint a commissioner with powers to arrange for the transfer of the properties. The transfer will be required within six months and the Japanese Government agrees to hand over to China all archives, deeds and other papers relating to Kiaochow.

Article II. provides for transfer by Japan to China of all public property in Shantung, whether originally German-owned or built subsequently by the Japanese. One provision declares that no compensation shall be claimed by Japan for such property, except such purchased since Japanese occupation or that of the Germans which Japan has improved. For these China agrees to refund the bare amount of the Japanese expenditures.

Article III. provides for withdrawal of Japanese troops from Shantung, especially on the railroad and including Japanese gendarmes as soon as possible, when the Chinese police are ready to take over the railway. It is stipulated that the Japanese troop retirement will be effected by sections on the railway at dates to be arranged between Japanese and Chinese authorities. Entire withdrawal of Japanese troops is to be effected within three months if possible, and not later than six months. The Japanese garrison at Tsingtao is to be withdrawn within thirty days.

Article IV., dealing with maritime customs, provides that the Japanese shall return to China the custom house at Tsingtao.

Article V. covers the transfer of the Shantung Railway. To effect the transfer China and Japan are to appoint three commissioners to compose a joint railway commission, which is to appraise the railway's actual value and arrange for its transfer in not less than nine months.

The arrangement for traffic management and administration of the railroad is to be in effect pending Chinese redemption of the railway.

Article VI. deals with two extensions of the Shantung Railway and provides that the extensions shall be "thrown open to common activities of an international group" under the Chinese management.

Article VII. deals with the Shantung mines, which the treaty provides are to be taken over by a corporation organized under a special charter of the Chinese Government in which Chinese and Japanese capital shall be equally balanced.

Article VIII. provides for the opening of the former German-leased territories to all on an equal basis and that foreign rights, established and future, shall be respected.

Article IX. declares that Japanese interests in the salt mines shall be bought by the Chinese Government at a fair compensation within six months.

By Article X. the rights on two submarine cables at Shantung are ceded by Japan to China, provided that China shall arrange for cable landings.

Article XI. provides that Japanese wireless stations in Shantung are to be transferred to China with compensation.

CLOSING ADDRESS OF PRESIDENT HARDING

[At the concluding session of the Conference, February 6, 1922.]

MR. CHAIRMAN AND MEMBERS OF THE CONFERENCE:

Nearly three months ago it was my privilege to utter to you sincerest words of welcome to the capital of our republic, to suggest the spirit in which you were invited, and to intimate the atmosphere in which you were asked to confer. In a very general way, perhaps, I ventured to express a hope for the things towards which our aspirations led us.

To-day it is my greater privilege, and an even greater pleasure, to come to make acknowledgment. It is one of the supreme compensations of life to contemplate a worth-while accomplishment.

It can not be other than seemly for me, as the only chief of government so circumstanced as to be able to address the Conference, to speak congratulations, and to offer the thanks of our nation, our people, perhaps I dare volunteer to utter them for the world. My own gratification is beyond my capacity to express.

This conference has wrought a truly great achievement. It is hazardous sometimes to speak in superlatives, and I will be restrained. But I will say, with every confidence, that the faith plighted here to-day, kept in national honor, will mark the beginning of a new and better epoch in human progress.

Stripped to the simplest fact, what is the spectacle which has inspired a new hope for the world? Gathered about this table nine great nations of the earth—not all, to be sure, but those most directly concerned with the problems at hand—have met and have conferred on questions of great import and common concern, on problems menacing their peaceful relationship, on burdens threatening a common peril. In the revealing light of the public opinion of the world, without surrender of sovereignty, without impaired nationality or affronted national pride, a solution has been found in unanimity, and to-day's adjournment is marked by rejoicing in the things accomplished. If the world has hungered for new assurance it may feast at the banquet which the Conference has spread.

I am sure the people of the United States are supremely gratified, and yet there is scant appreciation how marvelously you have wrought. When the days were dragging and agreements were delayed, when there were obstacles within and hindrances without, few stopped to realize that here was a conference of sovereign Powers where only unanimous agreement could be made the rule. Majorities could not decide without impinging national rights. There were no victors to command, no vanquished to yield. All had voluntarily to agree in translating the conscience of our civilization and give concrete expression to world opinion.

And you have agreed in spite of all difficulties, and the agreements are proclaimed to the world. No new standards of national honor have been sought, but the indictments of national dishonor have been drawn, and the world is ready to proclaim the odiousness of perfidy or infamy.

It is not pretended that the pursuit of peace and the limitations of armament are new conceits, or that the Conference is a new conception either in settlement of war or in writing the conscience of international relationship. Indeed, it is not new to have met in the realization of war's supreme penalties. The Hague conventions are examples of the one, the conferences of Vienna, of Berlin, of Versailles are outstanding instances of the other.

The Hague conventions were defeated by the antagonism of one strong Power whose indisposition to cooperate and sustain led it to one of the supreme tragedies which have come to national eminence. Vienna and Berlin sought peace founded on the injustices of war and sowed the seeds of future conflict, and hatred was armed where confidence was stifled.

It is fair to say that human progress, the grown intimacy of international relationship, developed communication and transportation, attended by a directing world opinion, have set the stage more favorably here. You have met in that calm deliberation and that determined resolution which have made a just peace, in righteous relationship, its own best guaranty.

It has been the fortune of this conference to sit in a day far enough removed from war's bitterness, yet near enough to war's horrors, to gain the benefit of both the hatred of war and the yearning for peace. Too often, heretofore, the decades following such gatherings have been marked by the difficult undoing of their decisions. But your achievement is supreme because no seed of conflict has been sown; no reaction in regret or resentment ever can justify resort to arms.

It little matters what we appraise as the outstanding accomplishment. Any one of them alone would have justified the Conference. But the whole achievement has so cleared the atmosphere that it will seem like breathing the refreshing air of a new morn of promise.

You have written the first deliberate and effective expression of great Powers, in the consciousness of peace, of war's utter futility, and challenged the sanity of competitive preparation for each other's destruction. You have halted folly and lifted burdens, and revealed to the world that the one sure way to recover from the sorrow and ruin and staggering obligations of a world war is to end the strife in preparation for more of it, and turn human energies to the constructiveness of peace.

Not all the world is yet tranquilized. But here is the example, to imbue with new hope all who dwell in apprehension. At this table came understanding, and understanding brands armed conflict as abominable in the eyes of enlightened civilization.

I once believed in armed preparedness. I advocated it. But I have come now to believe there is a better preparedness in a public mind and a world opinion made ready to grant justice precisely as it exacts it. And justice is better served in conferences of peace than in conflicts at arms.

How simple it all has been. When you met here twelve weeks ago there was not a commitment, not an obligation except that which each delegation owes to the Government commissioning it. But human service was calling, world conscience was impelling, and world opinion directing.

No intrigue, no offensive or defensive alliances, no involvements have wrought your agreements, but reasoning with each other to common understanding has made new relationship among Governments and peoples, new securities for peace, and new opportunities for achievement and attending happiness.

Here have been established the contacts of reason, here have come the inevitable understandings of face-to-face exchanges when passion does not inflame. The very atmosphere shamed national selfishness into retreat. Viewpoints were exchanged, differences composed, and you came to understand how common, after all, are human aspirations; how alike, indeed, and how easily reconcilable, are our national aspirations; how sane and simple and satisfying to seek the relationships of peace and security.

When you first met I told you of our America's thought to seek less of armament and none of war; that we sought nothing which is another's, and we were unafraid, but that we wished to join you in doing that finer and nobler thing which no nation can do alone. We rejoice in the accomplishment.

It may be that the naval holiday here contracted will expire with the treaties, but I do not believe it. Those of us who live another decade are more likely to witness a growth of public opinion, strengthened by the new experience, which will make nations more concerned with living to the fulfillment of God's high intent than with agencies of warfare and destruction. Since this conference of nations has pointed with unanimity to the way of peace to-day, like conferences in the future, under appropriate conditions and with aims both well conceived and definite, may illumine the highways and byways of human activity. The torches of understanding have been lighted, and they ought to glow and encircle the globe.

Again, gentlemen of the Conference, congratulations and the gratitude of the United States! To Belgium, to the British Empire, to China, to France, to Italy, to Japan, to the Netherlands, and to Portugal—I can wish no more than the same feeling, which we experience, of honorable and honored contribution to happy human advancement, and a new sense of security in the righteous pursuits of peace and all attending good fortune.

From our own delegates I have known from time to time of your activities, and of the spirit of conciliation and adjustment, and the cheering readiness of all of you to strive for that unanimity so essential to accomplishment. Without it there would have been failure; with it you have heartened the world.

And I know our guests will pardon me while I make grateful acknowledgment to the American delegation—to you, Mr. Secretary Hughes; to you, Senator Lodge; to you, Senator Underwood; to you, Mr. Root; to all of you for your able and splendid and highly purposed and untiring endeavors in behalf of our Government and our people; and to our excellent Advisory Committee which gave to you so dependable a reflex of that American public opinion which charts the course of this republic.

It is all so fine, so gratifying, so reassuring, so full of promise, that above the murmurings of a world sorrow not yet silenced, above the groans which come of excessive burdens not yet lifted but now to be lightened, above the discouragements of a world yet struggling to find itself after surpassing upheaval, there is the note of rejoicing which is not alone ours or yours, or of all of us, but comes from the hearts of men of all the world.

ADDRESS OF PRESIDENT HARDING TO THE SENATE

[In Laying Before It, for Ratification, a Group of Treaties Negotiated by the Conference, February 10, 1922.]

MR. PRESIDENT AND GENTLEMEN OF THE SENATE:

I have come to make report to you of the conclusions of what has been termed the Washington Conference on the Limitation of Armament, and to lay before you the series of treaties which the United States and the other Powers participating in the conference have negotiated and signed, and have announced to the world. Apart from the very great satisfaction in reporting to the Senate, it is a privilege as well as a duty to ask that advice and consent which the Constitution requires to make these covenants effective.

Accompanying the treaties I bring to you the complete minutes of both plenary sessions and committee meetings, and a copy of the official report made to me by the American delegation to the conference. Both the complete minutes and the official report of the American delegation are new accompaniments to the Executive report of a treaty or treaties, but they are fitting testimonials to that open and simpler diplomacy for which the world has asked, and the practice of which contributed largely to the success of the conference so recently adjourned. I trust they will facilitate that ample and helpful understanding which is desirable in the Senate, and reflect that understanding which was the keynote of the conference itself.

The whole transaction is quite out of the ordinary. I am not thinking of the achievement, which I hope the Senate will come to appraise highly as I do, and as the world seems to do. I am not thinking of the commendable processes by which agreements were wrought, though this was a conference wholly of free nations, exercising every national right and authority, in which every agreement was stamped with unanimity. Indeed, it was a conference of friends, proceeding in deliberation and sympathy, appraising their friendly and peaceful relations and resolved to maintain them, and give to the world new assurances of peace and actual relief from the burdens of excessive and competitive armament. But the out-of-the-ordinary phases which I have in mind are that the Senate—indeed, the Congress—has already advised in favor of one—and inferentially of two—of the treaties laid before you to-day, and the naval pact negotiated and signed is in accordance with your expressed wish. It calls a halt in the competitive construction of capital ships in the great navies of the world, and affords the first actual relief from naval burdens which peoples have been able to acclaim since steam and steel combined to add to naval strength in warfare.

But, though the treaty recommended by the Congress marks the beginning of a naval holiday and that limitation of naval armament which accords with a world aspiration, the particular justification of this progressive and highly gratifying step was the settlement of the international problems of the Pacific, attended by new understandings in place of menacing disagreements, and established sureties instead of uncertainties which easily might lead to conflict. Much as it was desirable to lift the burdens of naval armament and strike at the menace of competitive construction and consequent expenditure, the Executive branch of the Government, which must be watchful for the nation's safety, was unwilling to covenant a reduction of armament until there could be plighted new guaranties of peace, until there could be removed the probable menaces of conflict. Therefore all the treaties submitted for your approval have such important relationship, one to another, that, though not interdependent, they are the covenants of harmony, of assurance, of conviction, of conscience, and of unanimity. These we have believed to be essential to perfect the fulfillment which the Congress has in mind.

As a simple matter of fact, all of the agreements, except those dealing directly with the limitation of armament, take the place of various multi-Power treaties, arrangements or understandings, formal or informal, expressed or implied, relating to matters in the Pacific Ocean, in which all the Powers signatory were essentially, if not equally, concerned. The new agreements serve to put an end to contradictions, to remove ambiguities, and establish clear understandings.

No matter what mental reservations may have existed, or what doubts may have prevailed, because here was an experiment new in many phases, all of the Powers came to the conference knowing it was to deal with very practical situations affecting their international relations. There was mutual interest, quite apart from the greater achievement for world peace, and a way to common understanding was found to be practical and speedily arranged. If it has developed a new-world school of diplomacy, let it be so called. It revealed the ends aimed at in the very beginning, and pointed the way to their attainment. The Powers in conference took the world of the Pacific as they found it in fact. They dealt with actualities by voluntary and unanimous agreement, and have added to mankind's assurances and hopefully advanced international peace.

It is worth while saying that the Powers in this conference sought no concert to dispossess any Power of its rights or property. All the signatories have given up certain rights which they had, as their contribution to concord and peace, but at no sacrifice of national pride, with no regret or resentment to later flame in conflict. Some relinquished certain rights or prerogatives which they had asserted, notably in the settlement of the Shantung controversy, dealt with in a covenant quite apart from the group herewith submitted. But every concession was a willing one, without pressure or constraint. The Conference record is quite unparalleled, not alone because there was the maximum of good feeling and neighborliness throughout the session, but common rejoicing in the results; and the separations in departure were marked by genuine cordiality, good will, and new hopes.

It is not necessary to remind you that the conference work was not directed against any Power or group of Powers. There were no punishments to inflict, no rewards to bestow. Mutual consideration, and the common welfare, and the desire for world peace impelled. The conclusions reached and the covenants written neither require nor contemplate compulsive measures against any Power in the world, signatory or nonsignatory. The offerings are free will; the conscience is that of world-opinion; the observance is a matter of national honor.

These treaties leave no Power despoiled. The delegates of every Power participating adjourned with every right and every authority with which they came, except that which was willingly and gladly given up to further the common welfare. I can assure you the nine Powers have been brought more closely together, they are stauncher neighbors and friends, they have clearer and better estimates of one another, they have seen suspicion challenged and selfishness made to retreat, they have keener and more sympathetic understandings, and they are more strongly willed for right and justice in international relations than ever before. I believe, with all my heart, the Powers in conference have combined to make the world safer and better and a more hopeful place in which to live.

It was a helpful thing to have the Conference reveal how common our human aspirations are and how easy it is, when the task is properly approached, to reconcile our national aspirations. There are mutual and essential interests affecting the welfare and peace of all nations, and they can not be promoted by force. They can be revealed and magnified in that understanding which, it is now proven, the conference of peace promotes, and the same understanding makes compulsion and despoilment hateful in the eyes of mankind.

The treaties submitted, seven in number, are—

The covenant of limitation to naval armament between our republic, the British Empire, France, Italy, and Japan.

The treaty between the same Powers in relation to the use of submarines and noxious gases in warfare.

The treaty between the United States, the British Empire, France, and Japan relating to their insular possessions and their insular dominions in the Pacific.

A declaration accompanying the four-power treaty reserving American rights in mandated territory.

An agreement supplementary to the four-power treaty defining the application of the term "insular possession and insular dominions" as relating to Japan.

A treaty between the nine Powers in the conference relating to principles and policies to be followed in matters concerning China.

A treaty between the nine Powers relating to Chinese customs tariff.

I invite your prompt approval of all of them. It is quite impossible to readjust our naval program until the naval treaty has your sanction, even though you urged its negotiation. It is not possible to make the readjustment in full confidence, until the whole program has commended itself to your approval.

I am not unmindful, nor was the conference, of the sentiment in this chamber against Old World entanglements. Those who made the treaties have left no doubt about their true import. Every expression in the Conference has emphasized the purpose to be served and the obligations assumed. Therefore, I can bring you every assurance that nothing in any of these treaties commits the United States, or any other Power, to any kind of an alliance, entanglement, or involvement. It does not require us or any Power to surrender a worthwhile tradition. It has been said, if this be true, these are mere meaningless treaties, and therefore valueless. Let us accept no such doctrine of despair as that. If nations may not establish by mutual understanding the rules and principles which are to govern their relationship; if a sovereign and solemn plight of faith by leading nations of the earth is valueless; if nations may not trust one another, then, indeed, there is little on which to hang our faith in advancing civilization or the furtherance of peace. Either we must live and aspire and achieve under a free and common understanding among peoples, with mutual trust, respect, and forbearance, and exercising full sovereignty, or else brutal, armed force will dominate, and the sorrows and burdens of war in this decade will be turned to the chaos and hopelessness of the next. We can no more do without international negotiations and agreements in these modern days than we could maintain orderly neighborliness at home without the prescribed rules of conduct which are more the guaranties of freedom than the restraint thereof.

The world has been hungering for a better relationship for centuries since it has attained its larger consciousness. The conception of the League of Nations was a response to a manifest world hunger. Whatever its fate, whether it achieves the great things hoped for, or comes to supersedure, or to failure, the American unwillingness to be a part of it has been expressed. That unwillingness has been kept in mind, and the treaties submitted to-day have no semblance or relationship save as the wish to promote peace has been the common inspiration.

The Four-Power Treaty contains no war commitment. It covenants the respect of each nation's rights in relation to its insular possessions. In case of controversy between the covenanting Powers it is agreed to confer and seek adjustment, and if said rights are threatened by the aggressive action of any outside Power, these friendly Powers, respecting one another, are to communicate, perhaps confer, in order to understand what action may be taken, jointly or separately, to meet a menacing situation. There is no commitment to armed force, no alliance, no written or moral obligation to join in defence, no expressed or implied commitment to arrive at any agreement except in accordance with our constitutional methods. It is easy to believe, however, that such a conference of the four Powers is a moral warning that an aggressive nation, giving affront to the four great Powers ready to focus world opinion on a given controversy, would be embarking on a hazardous enterprise.

Frankly, Senators, if nations may not safely agree to respect each other's rights, and may not agree to confer if one to the compact threatens trespass, or may not agree to advise if one party to the pact is threatened by an outside Power, then all concerted efforts to tranquilize the world and stabilize peace must be flung to the winds. Either these treaties must have your cordial sanction, or every proclaimed desire to promote peace and prevent war becomes a hollow mockery.

We have seen the eyes of the world turned to the Pacific. With Europe prostrate and penitent, none feared the likelihood of early conflict there. But the Pacific had its menaces, and they deeply concerned us. Our territorial interests are larger there. Its waters are not strange seas to us, its farther shores not unknown to our citizens. Our earlier triumphs of commerce were there. We began treaty relationships with China full eighty years ago, in the youthful vigor of our republic, and the sailings of our clipper ships were the romance of our merchant marine, when it successfully challenged the competition of the world. Seventy years ago Commodore Perry revealed Japan to commerce, and there followed that surpassing development of the island empire, with whom our unbroken peace found a most gratifying reflex in the conference just closed.

A century ago we began planting the seeds of American friendship in Hawaii, and seventy years ago Webster told the Senate that the

United States could "never consent to see these islands taken possession of by either of the great commercial Powers of Europe." Whether it was destiny, or the development of propinquity, or the influence of our colonists, or faith in our institutions, Hawaii came under the flag in 1898, and rejoices to-day as a part of our republic.

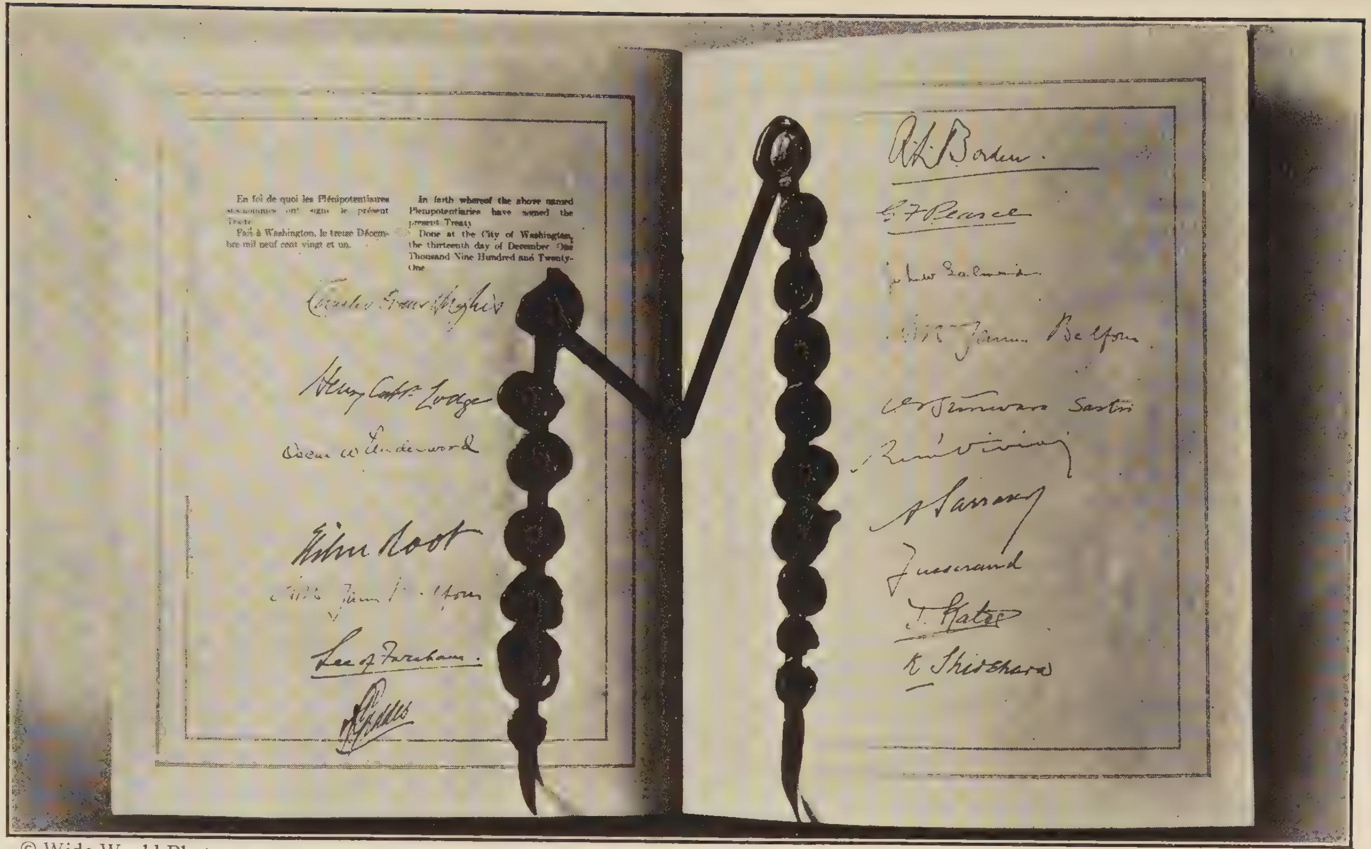
The lure of the waters, or the march of empire, or the call of commerce or inscrutable destiny led us on, and we went to the South Seas and planted the flag in Samoa. Out of the war with Spain came our sponsorship in the Philippines, and the possession of Guam; and so we are deeply concerned in the mid-Pacific, the South Seas, and the very center of the Far East. We crave peace there as we do on the continent, and we should be remiss in performing a national duty if we did not covenant the relations which tend to guarantee it. For more than a half century we have had a part in influencing the affairs of the Pacific, and our present proposed commitments are not materially different in character, nor materially greater in extent, though fraught with vastly less danger, than our undertakings in the past.

We have convinced the on-looking and interested Powers that we covet the possessions of no other Power in the Far East, and we know for ourselves that we crave no further or greater governmental or territorial responsibilities there. Contemplating what is admittedly ours, and mindful of a long-time and reciprocal friendship with China, we do wish the opportunity to continue the development of our trade peacefully, and on equality with other nations, to strengthen our ties of friendship, and to make sure the righteous and just relationships of peace.

Holding the possessions we do, entertaining these views, and confessing these ambitions, why should we not make reciprocal engagements to respect the territory of others and contract their respect of ours, and thus quiet apprehension and put an end to suspicion?

There has been concern. There has been apprehension of territorial greed, a most fruitful cause of war. The Conference has dissipated both, and your ratification of the covenants made will stabilize a peace for the breaking of which there is not a shadow of reason or real excuse. We shall not have less than before. No one of us shall have less than before. There is no narrowed liberty, no hampered independence, no shattered sovereignty, no added obligation. We will have new assurances, new freedom from anxiety, and new manifestations of the sincerity of our own intentions; a new demonstration of that honesty which proclaims a righteous and powerful republic.

I am ready to assume the sincerity and the dependability of the assurances of our neighbors of the Old World that they will respect our rights, just as I know we mean to respect theirs. I believe there is an inviolable national honor, and I bring to you this particular covenant



En foi de quoi les Plénipotentiaires sus-nommés ont signé le présent Traité.

Fait à Washington, le treize Décembre mil neuf cent vingt et un.

In faith whereof the above named Plenipotentiaries have signed the present Treaty.

Done at the City of Washington, the thirteenth day of December One Thousand Nine Hundred and Twenty-One.

Charles Evans Hughes

Henry Cabot Lodge

Oscar W Underwood

Elihu Root

Arthur James Balfour

Lee of Fareham

R. L. Borden

G F Pearce

John Salmond

Arthur James Balfour

V. S. Srinivasa Sastri

René Viviani

A Sarraut

Jusserand

T. Kato

K. Shidehara

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FACSIMILE, SIGNATURES TO THE "FOUR POWER" TREATY

THE ARMAMENT LIMITATION CONFERENCE

The limit on competitive construction of large warships fixed upon the great naval Powers of the World by the Naval Limitation Treaty is explained on pages 9076 to 9087. The text of the so-called Four Power Treaty, the signatures to which are shown in the illustration, is on pages 9051 and 9052, and the reservation added by the United States Senate in ratifying, on page 9088. All the important treaties arising from the Conference will be found in the preceding and the following pages and an impartial estimate of the Conference's successes and failures will be found in the Encyclopedic Index under "Armament Limitation Conference." A view of the official opening of the Conference will be found opposite another page.

in the confident belief that it is the outstanding compact of peace for the Pacific, which will justify the limitation of armament and prove a new guarantee to peace and liberty, and maintained sovereignty and free institutions.

No allusion has been made to the treaty restraining and limiting the use of the submarine, and the prohibition of noxious gases in warfare. Since we are asking the world's adherence, it is easily assumed that none in America will hold aloof.

Nor need I dwell on the Nine-Power Treaty relating to principles and policies to be followed in the relationship of the signatory Powers to China. Our traditional friendship for the ancient empire, our continued friendship for the new republic, our commitment of more than twenty years to the open door, and our avowed concern for Chinese integrity and unimpaired sovereignty, make it easy to assume that the Senate will promptly and unanimously assent. China's own satisfaction in the restorations covenanted here has been officially expressed, quite apart from the testifying signatures.

Perhaps I may fittingly add a word which is suggested by my relationship as a former member of the Senate. I had occasion to learn of your very proper jealousy of the Senate's part in contracting foreign relationships. Frankly, it was in my mind when I asked representatives of both the majority and minority to serve on the American Delegation. It was designed to have you participate. And you were ably represented.

The Senate's concern for freedom from entanglements, for preserved traditions, for maintained independence, was never once forgotten by the American delegates. If I did not believe these treaties brought us not only new guaranties of peace but greater assurances of freedom from conflict, I would not submit them to your consideration.

Much depends on your decision. We have joined in giving to the world the spectacle of nations gathering about the conference table, amid the convictions of peace, free from all passion, to face each other in the contacts of reason, to solve menacing problems, and end disputes, and clear up misunderstandings. They have agreed to confer again when desirable, and turn the revealing light of world opinion on any menace to peace among them. Your Government encouraged, and has signed the compacts which it had much to do in fashioning. If to these understandings for peace, if to these advanced expressions of the conscience of leading Powers, if to these concords to guard against conflict and lift the burdens of armament, if to all of these the Senate will not advise and consent, then it will be futile to try again. Here has been exercised every caution consistent with accomplishment. Here was a beginning on your advice, no matter when conceived, and the program was enlarged, only because assurances of tranquillity were deemed the appropriate concomitants of the great experiment in arms limitation.

I alluded a moment ago to my knowledge of the viewpoint of the Senate, from personal experience. Since that experience I have come to know the viewpoint and inescapable responsibility of the Executive. To the Executive comes the closer view of world relationship and a more impressive realization of the menaces, the anxieties, and the apprehensions to be met.

We have no rivalries in our devotion to the things we call American, because that is a common consecration. None of us means to endanger, none of us would sacrifice a cherished national inheritance. In mindfulness of this mutuality of interest, common devotion, and shared authority, I submit to the Senate that if we can not join in making effective these covenants for peace, and stamp this conference with America's approval, we shall discredit the influence of the Republic, render future efforts futile or unlikely, and write discouragement where to-day the world is ready to acclaim new hope. Because of this feeling, because I believe in the merits of these engagements, I submit them to the Senate with every confidence that you will approve.

[All the treaties from the Conference submitted to the Senate for ratification were ratified by that body, although reservations were added to the Four-Power Pacific treaty and the treaty supplementary to it. The only serious opposition in the Senate centered upon the Four-Power Pacific Treaty, which was finally ratified on March 24, 1922, by vote of 67 (55 Republicans and 12 Democrats) to 27 (4 Republicans and 23 Democrats.).]

THE NAVAL ARMAMENT LIMITATION TREATY

CHAPTER I. *General Provisions.*

Article I. The Contracting Powers agree to limit their respective naval armament as provided in the present Treaty.

Article II. The Contracting Powers may retain respectively the capital ships which are specified in Chapter II, Part 1. On the coming into force of the present treaty, but subject to the following provisions of this article, all other capital ships, built or building, of the United States, the British Empire and Japan shall be disposed of as prescribed in Chapter II, Part 2.

In addition to the capital ships specified in Chapter II, Part 1, the United States may complete and retain two ships of the *West Virginia* class now under construction. On the completion of these two ships the *North Dakota* and *Delaware* shall be disposed of as prescribed in Chapter II, Part 2.

The British Empire may in accordance with the replacement table in Chapter II, Part 3, construct two new capital ships not exceeding 35,000 tons (35,560 metric tons) standard displacement each. On the completion of the said two ships the *Thunderer, King George V., Ajax* and *Centurion* shall be disposed of as prescribed in Chapter II, Part 2.

ARTICLE III. Subject to the provisions of Article II, the Contracting Powers shall abandon their respective capital ship building programs, and no new capital ships shall be constructed or acquired by any of the Contracting Powers except replacement tonnage which may be constructed or acquired as specified in Chapter II, Part 3.

Ships which are replaced in accordance with Chapter II, Part 3, shall be disposed of as prescribed in Part 2 of that chapter.

ARTICLE IV. The total capital ship replacement tonnage of each of the Contracting Powers shall not exceed in standard displacement, for the United States 525,000 tons (533,400 metric tons); for the British Empire 525,000 tons (533,400 tons); for France 175,000 tons (177,800 metric tons); for Italy 175,000 tons (177,800 metric tons); for Japan 315,000 tons (320,040 metric tons).

ARTICLE V. No capital ship exceeding 35,000 tons (35,560 metric tons) standard displacement shall be acquired by, or constructed by, for, or within the jurisdiction of any of the Contracting Powers.

ARTICLE VI. No capital ship of any of the Contracting Powers shall carry a gun with a calibre in excess of 16 inches (406 millimetres).

ARTICLE VII. The total tonnage for aircraft carriers of each of the Contracting Powers shall not exceed in standard displacement, for the United States 135,000 tons (137,160 metric tons); for the British Empire 135,000 tons (137,160 metric tons); for France 60,000 (60,960 metric tons); for Italy 60,000 tons (60,960 metric tons); for Japan 81,000 tons (82,296 metric tons).

ARTICLE VIII. The replacement of aircraft carriers shall be effected only as prescribed in Chapter II, Part 3, provided, however, that all aircraft carrier tonnage in existence or building on November 12, 1921, shall be considered experimental, and may be replaced, within the total tonnage limit prescribed in Article VII, without regard to its age.

ARTICLE IX. No aircraft carrier exceeding 27,000 tons (27,432 metric tons) standard displacement shall be acquired by, or constructed by, for or within the jurisdiction of any of the Contracting Powers.

However, any of the Contracting Powers may, provided that its total tonnage allowance of aircraft carriers is not thereby exceeded, build not more than two aircraft carriers, each of a tonnage of not more than 33,000 tons (33,528 metric tons) standard displacement, and in order to effect economy any of the Contracting Powers may use for this purpose any two of their ships, whether constructed or in course of construction, which would otherwise be scrapped under the provisions of Article II. The armament of any aircraft carriers exceeding 27,000 tons (27,432 metric tons) standard displacement shall be in accordance with the requirements of Article X, except that the total number of guns to be carried in case any of such guns be of a calibre exceeding 6 inches (152 millimetres), except anti-aircraft guns and guns not exceeding 5 inches (127 millimetres), shall not exceed eight.

ARTICLE X. No aircraft carrier of any of the Contracting Powers shall carry a gun with a calibre in excess of 8 inches (203 millimetres). Without prejudice to the provisions of Article IX, if the armament carried includes guns exceeding 6 inches (152 millimetres) in calibre the total number of guns carried, except anti-aircraft guns and guns not exceeding 5 inches (127 millimetres), shall not exceed ten. If alternatively the armament contains no guns exceeding 6 inches (152 millimetres) in calibre, the number of guns is not limited. In either case the number of anti-aircraft guns and of guns not exceeding 5 inches (127 millimetres) is not limited.

ARTICLE XI. No vessel of war exceeding 10,000 tons (10,160 metric tons) standard displacement, other than a capital ship or aircraft carrier, shall be acquired by, or constructed by, for, or within the jurisdiction of, any of the Contracting Powers. Vessels not specifically built as fighting ships nor taken in time of peace under government control for fighting purposes, which are employed on fleet duties or as troop transports or in some other way for the purpose of assisting in the prosecution of hostilities otherwise than as fighting ships, shall not be within the limitations of this article.

No vessel of war of any of the Contracting Powers, hereafter laid down, other than a capital ship, shall carry a gun with a calibre in excess of 8 inches (203 millimetres).

ARTICLE XIII. Except as provided in Article IX, no ship designated in the present Treaty to be scrapped may be reconverted into a vessel of war.

ARTICLE XIV. No preparations shall be made in merchant ships in time of peace for the installation of warlike armaments for the purpose of converting such ships into vessels of war, other than the necessary stiffening of decks for the mounting of guns not exceeding 6 inch (152 millimetres) calibre.

ARTICLE XV. No vessel of war constructed within the jurisdiction of any of the Contracting Powers for a non-Contracting Power shall exceed the limitations as to displacement and armament prescribed by the present Treaty for vessels of a similar type which may be constructed by or for any of the Contracting Powers; provided, however, that the displacement for aircraft carriers constructed for a non-Contracting Power shall in no case exceed 27,000 tons (27,432 metric tons) standard displacement.

ARTICLE XVI. If the construction of any vessel of war for a non-Contracting Power is undertaken within the jurisdiction of any of the Contracting Powers, such Power shall promptly inform the other Contracting Powers of the date of the signing of the contract and the date on which the keel of the ship is laid; and shall also communicate to them the particulars relating to the ship prescribed in Chapter II, Part 3, Section I (b), (4) and (5).

ARTICLE XVII. In the event of a Contracting Power being engaged in war, such Power shall not use as a vessel of war any vessel of war which may be under construction within its jurisdiction for any other Power, or which may have been constructed within its jurisdiction for another Power and not delivered.

ARTICLE XVIII. Each of the Contracting Powers undertakes not to dispose by gift, sale or any mode of transfer of any vessel of war in such a manner that such vessel may become a vessel of war in the navy of any foreign Power.

Article XIX. The United States, the British Empire and Japan agree that the status quo at the time of the signing of the present Treaty, with regard to fortifications and naval bases, shall be maintained in their respective territories and possessions specified hereunder:

(1) The insular possessions which the United States now holds or may hereafter acquire in the Pacific Ocean, except (a) those adjacent to the coast of the United States, Alaska and the Panama Canal Zone, not including the Aleutian Islands, and (b) the Hawaiian Islands;

(2) Hongkong and the insular possessions which the British Empire now holds or may hereafter acquire in the Pacific Ocean, east of the meridian of 110° east longitude, except (a) those adjacent to the coast of Canada, (b) the Commonwealth of Australia and its Territories, and (c) New Zealand;

(3) The following insular territories and possessions of Japan in the Pacific Ocean, to wit: the Kurile Islands, the Bonin Islands, Amami-Oshima, the Loochoo Islands, Formosa and the Pescadores, and any insular territories or possessions in the Pacific Ocean which Japan may hereafter acquire.

The maintenance of the status quo under the foregoing provisions implies that no new fortifications or naval bases shall be established in the territories and possessions specified, that no measures shall be taken to increase the existing naval facilities for the repair and maintenance of naval forces, and that no increase shall be made in the coast defences of the territories and possessions above specified. This restriction, however, does not preclude such repair and replacement of worn-out weapons and equipment as is customary in naval and military establishments in time of peace.

Article XX. The rules for determining tonnage displacement prescribed in Chapter II, Part 4, shall apply to the ships of each of the Contracting Powers.

CHAPTER II.—*Rules Relating to the Execution of the Treaty—Definition of Terms.*

Part 1.—Capital Ships Which May Be Retained by the Contracting Powers.—In accordance with Article II ships may be retained by each of the Contracting Powers as specified in this Part.

Ships which may be retained by the United States.

Name	Tonnage	Name	Tonnage
Maryland	32,600	New York	27,000
California	32,300	Texas	27,000
Tennessee	32,300	Arkansas	26,000
Idaho	32,000	Wyoming	26,000
New Mexico	32,000	Florida	21,825
Mississippi	32,000	Utah	21,825
Arizona	31,400	North Dakota	20,000
Pennsylvania	31,400	Delaware	20,000
Oklahoma	27,500		
Nevada	27,500	Total tonnage	500,650

On the completion of the two ships of the *West Virginia* class and the scrapping of the *North Dakota* and *Delaware*, as provided in Article II, the total tonnage to be retained by the United States will be 525,850 tons.

Ships which may be retained by the British Empire.

Name	Tonnage	Name	Tonnage
Royal Sovereign	25,750	Iron Duke	25,000
Royal Oak	25,750	Marlborough	25,000
Revenge	25,750	Hood	41,200
Resolution	25,750	Renown	26,500
Ramillies	25,750	Repulse	26,500
Malaya	27,500	Tiger	28,500
Valiant	27,500	Thunderer	22,500
Barham	27,500	King George V	23,000
Queen Elizabeth	27,500	Ajax	23,000
Warspite	27,500	Centurion	23,000
Benbow	25,000		
Emperor of India	25,000	Total tonnage	580,450

On the completion of the two new ships to be constructed and the scrapping of the *Thunderer, King George V, Ajax* and *Centurion,* as provided in Article II, the total tonnage to be retained by the British Empire will be 558,950 tons.

Ships which may be retained by France.

Name	Tonnage (metric tons)	Name	Tonnage (metric tons)
Bretagne	23,500	Courbet	23,500
Lorraine	23,500	Condorcet	18,890
Provence	23,500	Diderot	18,890
Paris	23,500	Voltaire	18,890
France	23,500		
Jean Bart	23,500	Total tonnage	221,170

France may lay down new tonnage in the years 1927, 1929 and 1931, as provided in Part 3, Section II.

Ships which may be retained by Italy.

Name	Tonnage (metric tons)	Name	Tonnage (metric tons)
Andrea Doria	22,700	Roma	12,600
Caio Duilio	22,700	Napoli	12,600
Conte Di Cavour	22,500	Vittorio Emanuele	12,600
Giulio Cesare	22,500	Regina Elena	12,600
Leonardo Da Vinci	22,500		
Dante Alighieri	19,500	Total tonnage	182,800

Italy may lay down new tonnage in the years 1927, 1929 and 1931, as provided in Part 3, Section II.

Ships which may be retained by Japan.

Name	Tonnage	Name	Tonnage
Mutsu	33,800	Kirishima	27,500
Nagato	33,800	Haruna	27,500
Hiuga	31,260	Hiyei	27,500
Ise	31,260	Kongo	27,500
Yamashiro	30,600		
Fu-So	30,600	Total tonnage	301,320

PART 2.—RULES FOR SCRAPPING VESSELS OF WAR.—The following rules shall be observed for the scrapping of vessels of war which are to be disposed of in accordance with Articles II and III:

I. A vessel to be scrapped must be placed in such condition that it cannot be put to combatant use.

II. This result must be finally effected in any one of the following ways:

(a) Permanent sinking of the vessel;

(b) Breaking the vessel up. This shall always involve the destruction or removal of all machinery, boilers and armour, and all deck, side and bottom plating;

(c) Converting the vessel to target use exclusively. In such case all the provisions of paragraph III of this Part, except sub-paragraph (6), in so far as may be necessary to enable the ship to be used as a mobile target, and except sub-paragraph (7), must be previously complied with. Not more than one capital ship may be retained for this purpose at one time by any of the Contracting Powers.

(d) Of the capital ships which would otherwise be scrapped under the present Treaty in or after the year 1931, France and Italy may each retain two sea-going vessels for training purposes exclusively, that is, as gunnery or torpedo schools. The two vessels retained by France shall be of the *Jean Bart* class, and of those retained by Italy one shall be the *Dante Alighieri,* the other of the *Giulio Cesare* class. On retaining these ships for the purpose above stated, France and Italy respectively undertake to remove and destroy their conning-towers, and not to use the said ships as vessels of war.

III. (a) Subject to the special exceptions contained in Article IX, when a vessel is due for scrapping, the first stage of scrapping, which consists in rendering a ship incapable of further warlike service, shall be immediately undertaken.

(b) A vessel shall be considered incapable of further warlike service when there shall have been removed and landed, or else destroyed in the ship:

(1) All guns and essential portions of guns, fire-control tops and revolving parts of all barbettes and turrets;

(2) All machinery for working hydraulic or electric mountings;

(3) All fire-control instruments and range-finders;

(4) All ammunition, explosives and mines;

(5) All torpedoes, war-heads and torpedo tubes;

(6) All wireless telegraphy installations;

(7) The conning tower and all side armour, or alternatively all main propelling machinery; and

(8) All landing and flying-off platforms and all other aviation accessories.

IV. The periods in which scrapping of vessels is to be effected are as follows:

(a) In the case of vessels to be scrapped under the first paragraph of Article II, the work of rendering the vessels incapable of further warlike service, in accordance with paragraph III of this Part, shall be completed within six months from the coming into force of the present Treaty, and the scrapping shall be finally effected within eighteen months from such coming into force.

(b) In the case of vessels to be scrapped under the second and third paragraphs of Article II, or under Article III, the work of rendering the vessel incapable of further warlike service in accordance with paragraph III of this Part shall be commenced not later than the date of completion of its successor, and shall be finished within six months from the date of such completion. The vessel shall be finally scrapped, in accordance with paragraph II of this Part, within eighteen months from the date of completion of its successor. If, however, the completion of the new vessel be delayed, then the work of rendering the old vessel incapable of further warlike service in accordance with paragraph III of this Part shall be commenced within four years from the laying of the keel of the new vessel, and shall be finished within six months from the date on which such work was commenced, and the old vessel shall be finally scrapped in accordance with paragraph II of this Part within eighteen months from the date when the work of rendering it incapable of further warlike service was commenced.

PART 3.—REPLACEMENT. The replacement of capital ships and aircraft carriers shall take place according to the rules in Section I and the tables in Section II of this Part.

SECTION I.—RULES FOR REPLACEMENT.

(a) Capital ships and aircraft carriers twenty years after the date of their completion may, except as otherwise provided in Article VIII and in the tables in Section II of this Part, be replaced by new construction, but within the limits prescribed in Article IV and Article VII. The keels of such new construction may, except as otherwise provided in Article VIII and in the tables in Section II of this Part, be laid down not earlier than seventeen years from the date of completion of the tonnage to be replaced, provided, however, that no capital ship tonnage, with the exception of the ships referred to in the third paragraph of Article II, and the replacement tonnage specifically mentioned in Section II of this Part, shall be laid down until ten years from November 12, 1921.

(b) Each of the Contracting Powers shall communicate promptly to each of the other Contracting Powers the following information:

(1) The names of the capital ships and aircraft carriers to be replaced by new construction;

(2) The date of government authorization of replacement tonnage;

(3) The date of laying the keels of replacement tonnage;

(4) The standard displacement in tons and metric tons of each new ship to be laid down, and the principal dimensions, namely, length at waterline, extreme beam at or below waterline, mean draft at standard displacement;

(5) The date of completion of each new ship and its standard displacement in tons and metric tons, and the principal dimensions, namely, length at waterline, extreme beam at or below waterline, mean draft at standard displacement, at time of completion.

(c) In case of loss or accidental destruction of capital ships or aircraft carriers, they may immediately be replaced by new construction subject to the tonnage limits prescribed in Articles IV and VII and in conformity with the other provisions of the present Treaty, the regular replacement program being deemed to be advanced to that extent.

(d) No retained capital ships or aircraft carriers shall be reconstructed except for the purpose of providing means of defense against air and submarine attack, and subject to the following rules: The Contracting Powers may, for that purpose, equip existing tonnage with bulge or blister or anti-air attack deck protection, providing the increase of displacement thus effected does not exceed 3,000 tons (3,048 metric tons) displacement for each ship. No alterations in side armor, in calibre, number or general type of mounting of main armament shall be permitted except:

(1) In the case of France and Italy, which countries within the limits allowed for bulge may increase their armor protection and the calibre of the guns now carried on their existing capital ships so as not to exceed 16 inches (406 millimetres) and

(2) the British Empire shall be permitted to complete, in the case of the *Renown*, the alterations to armor that have already been commenced but temporarily suspended.

SECTION II. REPLACEMENT AND SCRAPPING OF CAPITAL SHIPS

UNITED STATES

Year	Ships laid down	Ships completed	Ships scrapped (age in parentheses)	Ships retained. Summary	
				Pre-Jutland	Post-Jutland
			Maine (20), Missouri (20), Virginia (17), Nebraska (17), Georgia (17), New Jersey (17), Rhode Island (17), Connecticut (17), Louisiana (17), Vermont (16), Kansas (16), Minnesota (16), New Hampshire (15), South Carolina (13), Michigan (13), Washington (0), South Dakota (0), Indiana (0), Montana (0), North Carolina (0), Iowa (0), Massachusetts (0), Lexington (0), Constitution (0), Constellation (0), Saratoga (0), Ranger (0), United States (0).*	17	1
1922		A, B†.	Delaware (12), North Dakota (12)	15	3
1923				15	3
1924				15	3
1925				15	3
1926				15	3
1927				15	3
1928				15	3
1929				15	3
1930				15	3
1931	C, D			15	3
1932	E, F			15	3
1933	G			15	3
1934	H, I	C, D	Florida (23), Utah (23), Wyoming (22)	12	5
1935	J	E, F	Arkansas (23), Texas (21), New York (21)	9	7
1936	K, L	G	Nevada (20), Oklahoma (20)	7	8
1937	M	H, I	Arizona (21), Pennsylvania (21)	5	10
1938	N, O	J	Mississippi (21)	4	11
1939	P, Q	K, L	New Mexico (21), Idaho (20)	2	13
1940		M	Tennessee (20)	1	14
1941		N, O	California (20), Maryland (20)	0	15
1942		P, Q	Two ships West Virginia class	0	15

*The United States may retain the *Oregon* and *Illinois*, for noncombatant purposes, after complying with the provisions of Part 2, III (b).

†Two West Virginia class.

NOTE.—A, B, C, D, etc., represent individual capital ships of 35,000 tons standard displacement, laid down and completed in the years specified.

BRITISH EMPIRE

Year	Ships laid down	Ships completed	Ships scrapped (age in parentheses)	Ships retained. Summary	
				Pre-Jutland	Post-Jutland
			Commonwealth (16), Agamemnon (13), Dreadnought (15), Bellerophon (12), St. Vincent (11), Inflexible (13), Superb (12), Neptune (10), Hercules (10), Indomitable (13), Temeraire (12), New Zealand (9), Lion (9), Princess Royal (9), Conqueror (9), Monarch (9), Orion (9), Australia (8), Agincourt (7), Erin (7), 4 building or projected.*	21	1
1922	A, B†.	......	......	21	1
1923	......	......	......	21	1
1924	......	......	......	21	1
1925	......	A, B..	King George V (13), Ajax (12), Centurion (12), Thunderer (13)	17	3
1926	......	......	......	17	3
1927	......	......	......	17	3
1928	......	......	......	17	3
1929	......	......	......	17	3
1930	......	......	......	17	3
1931	C, D..	......	......	17	3
1932	E, F..	......	......	17	3
1933	G.....	......	......	17	3
1934	H, I...	C, D..	Iron Duke (20), Marlborough (20), Emperor of India (20), Benbow (20).	13	5
1935	J.....	E, F..	Tiger (21), Queen Elizabeth (20), Warspite (20), Barham (20).	9	7
1936	K, L..	G.....	Malaya (20), Royal Sovereign (20)......	7	8
1937	M....	H, I...	Revenge (21), Resolution (21)......	5	10
1938	N, O..	J.....	Royal Oak (22)......	4	11
1939	P, Q..	K, L..	Valiant (23), Repulse (23)......	2	13
1940	......	M....	Renown (24)......	1	14
1941	......	N, O..	Ramillies (24), Hood (21)......	0	15
1942	......	P, Q..	A (17), B (17)......	0	15

*The British Empire may retain the *Colossus* and *Collingwood* for noncombatant purposes, after complying with the provisions of Part 2, III (b).

†Two 35,000-ton ships, standard displacement.

NOTE.—A, B, C, D, etc., represent individual capital ships of 35,000 tons standard displacement laid down and completed in the years specified.

JAPAN

Year	Ships laid down	Ships completed	Ships scrapped (age in parentheses)	Ships retained. Summary	
				Pre-Jutland	Post-Jutland
			Hisen (20), Mikasa (20), Kashima (16), Katori (16), Satsuma (12), Aki (11), Settsu (10), Ikoma (14), Ibuki (12), Kurama (11), Amagi (0), Akagi (0), Kaga (0), Tosa (0), Takao (0), Atago (0). Projected program 8 ships not laid down.*	8	
1922	......	......	......	8	2
1923	......	......	......	8	2
1924	......	......	......	8	2
1925	......	......	......	8	2
1926	......	......	......	8	2
1927	......	......	......	8	2
1928	......	......	......	8	2
1929	......	......	......	8	2
1930	......	......	......	8	2
1931	A....	......	......	8	2
1932	B....	......	......	8	2
1933	C....	......	......	8	2
1934	D....	A....	Kongo (21)......	7	3
1935	E....	B....	Hiyei (21), Haruna (20)......	5	4
1936	F....	C....	Kirishima (21)......	4	5
1937	G....	D....	Fuso (22)......	3	6
1938	H....	E....	Yamashiro (21)......	2	7
1939	I....	F....	Ise (22)......	1	8
1940	......	G....	Hiuga (22)......	0	9
1941	......	H....	Nagato (21)......	0	9
1942	......	I....	Mutsu (21)......	0	9

*Japan may retain the *Shikishima* and *Asahi* for noncombatant purposes, after complying with the provisions of Part 2, III (b).

NOTE.—A, B, C, D, etc., represent individual capital ships of 35,000 tons standard displacement, laid down and completed in the years specified.

FRANCE

Year	Ships laid down	Ships completed	Ships scrapped (age in parentheses)	Ships retained. Summary.	
				Pre- Jutland	Post- Jutland
1922				7	0
1923				7	0
1924				7	0
1925				7	0
1926				7	0
1927	35,000 tons			7	0
1928				7	0
1929	35,000 tons			7	0
1930		35,000 tons	Jean Bart (17), Courbet (17)	5	(*)
1931	35,000 tons			5	(*)
1932	35,000 tons	35,000 tons	France (18)	4	(*)
1933	35,000 tons			4	(*)
1934		35,000 tons	Paris (20). Bretagne (20)	2	(*)
1935		35,000 tons	Provence (20)	1	(*)
1936		35,000 tons	Lorraine (20)	0	(*)
1937				0	(*)
1938				0	(*)
1939				0	(*)
1940				0	(*)
1941				0	(*)
1942				0	(*)

*Within tonnage limitations: number not fixed.

NOTE.—France expressly reserves the right of employing the capital ship tonnage allotment as she may consider advisable, subject solely to the limitations that the displacement of individual ships should not surpass 35,000 tons, and that the total capital ship tonnage should keep within the limits imposed by the present Treaty.

ITALY

Year	Ships laid down	Ships completed	Ships scrapped (age in parentheses)	Ships retained. Summary.	
				Pre- Jutland	Post- Jutland
1922				6	0
1923				6	0
1924				6	0
1925				6	0
1926				6	0
1927	35,000 tons			6	0
1928				6	0
1929	35,000 tons			6	0
1930				6	0
1931	35,000 tons	35,000 tons	Dante Alighieri (19)	5	(*)
1932	45,000 tons			5	(*)
1933	25,000 tons	35,000 tons	Leonardo da Vinci (19)	4	(*)
1934				4	(*)
1935		35,000 tons	Guilio Cesare (21)	3	(*)
1936		45,000 tons	Conte di Cavour (21), Duilio (21)	1	(*)
1937		25,000 tons	Andrea Doria (21)	0	(*)

*Within tonnage limitations: number not fixed.

NOTE.—Italy expressly reserves the right of employing the capital ship tonnage allotment as she may consider advisable, subject solely to the limitations that the displacement of individual ships should not surpass 35,000 tons, and the total capital ship tonnage should keep within the limits imposed by the present Treaty.

Note Applicable to All the Tables in Section II.—The order above prescribed in which ships are to be scrapped is in accordance with their age. It is understood that when replacement begins according to the above tables the order of scrapping in the case of the ships of each of the Contracting Powers may be varied at its option; provided, however, that such Power shall scrap in each year the number of ships above stated.

PART 4.—DEFINITIONS.— For the purposes of the present Treaty, the following expressions are to be understood in the sense defined in this Part.

Capital Ship.—A capital ship, in the case of ships hereafter built, is defined as a vessel of war, not an aircraft carrier, whose displacement exceeds 10,000 tons (10,160 metric tons) standard displacement, or which carries a gun with a calibre exceeding 8 inches (203 millimetres).

Aircraft Carrier.—An aircraft carrier is defined as a vessel of war with a displacement in excess of 10,000 tons (10,160 metric tons) standard displacement designed for the specific and exclusive purpose of carrying aircraft. It must be so constructed that aircraft can be launched therefrom and landed thereon, and not designed and constructed for carrying a more powerful armament than that allowed to it under Article IX or Article X as the case may be.

Standard Displacement. The standard displacement of a ship is the displacement of the ship complete, fully manned, engined, and equipped ready for sea, including all armament and ammunition, equipment, outfit, provisions and fresh water for crew, miscellaneous stores and implements of every description that are intended to be carried in war, but without fuel or reserve feed water on board.

The word "ton" in the present Treaty, except in the expression "metric tons," shall be understood to mean the ton of 2240 pounds (1016 kilos).

Vessels now completed shall retain their present ratings of displacement tonnage in accordance with their national system of measurement. However, a Power expressing displacement in metric tons shall be considered for the application of the present Treaty as owning only the equivalent displacement in tons of 2240 pounds.

A vessel completed hereafter shall be rated at its displacement tonnage when in the standard condition defined herein.

CHAPTER III. *Miscellaneous Provisions.*

ARTICLE XXI. If during the term of the present Treaty the requirements of the national security of any Contracting Power in respect of naval defence are, in the opinion of that Power, materially affected by any change of circumstances, the Contracting Powers will, at the request of such Power, meet in conference with a view to the reconsideration of the provisions of the Treaty and its amendment by mutual agreement.

In view of possible technical and scientific developments, the United States, after consultation with the other Contracting Powers, shall arrange for a conference of all the Contracting Powers which shall convene as soon as possible after the expiration of eight years from the coming into force of the present Treaty to consider what changes, if any, in the Treaty may be necessary to meet such developments.

ARTICLE XXII. Whenever any Contracting Power shall become engaged in a war which in its opinion affects the naval defence of its national security, such Power may after notice to the other Contracting Powers suspend for the period of hostilities its obligations under the present Treaty other than those under Articles XIII and XVII, provided that such Power shall notify the other Contracting Powers that the emergency is of such a character as to require such suspension.

The remaining Contracting Powers shall in such case consult together with a view to agreement as to what temporary modifications if any should be made in the Treaty as between themselves. Should such consultation not produce agreement, duly made in accordance with the constitutional methods of the respective Powers, any one of said Contracting Powers may, by giving notice to the other Contracting Powers, suspend for the period of hostilities its obligations under the present Treaty, other than those under Articles XIII and XVII.

On the cessation of hostilities the Contracting Powers will meet in conference to consider what modifications, if any, should be made in the provisions of the present Treaty.

Article XXIII. The present Treaty shall remain in force until December 31st, 1936, and in case none of the Contracting Powers shall have given notice two years before that date of its intention to terminate the Treaty, it shall continue in force until the expiration of two years from the date on which notice of termination shall be given by one of the Contracting Powers, whereupon the Treaty shall terminate as regards all the Contracting Powers. Such notice shall be communicated in writing to the Government of the United States, which shall immediately transmit a certified copy of the notification to the other Powers and inform them of the date on which it was received. The notice shall be deemed to have been given and shall take effect on that date. In the event of notice of termination being given by the Government of the United States, such notice shall be given to the diplomatic representatives at Washington of the other Contracting Powers, and the notice shall be deemed to have been given and shall take effect on the date of the communication made to the said diplomatic representatives.

Within one year of the date on which a notice of termination by any Power has taken effect, all the Contracting Powers shall meet in conference.

Article XXIV. The present Treaty shall be ratified by the Contracting Powers in accordance with their respective constitutional methods and shall take effect on the date of the deposit of all the ratifications, which shall take place at Washington as soon as possible. The Government of the United States will transmit to the other Contracting Powers a certified copy of the procès-verbal of the deposit of ratifications.

The present Treaty, of which the French and English texts are both authentic, shall remain deposited in the archives of the Government of the United States, and duly certified copies thereof shall be transmitted by that Government to the other Contracting Powers.

In faith whereof the above-named Plenipotentiaries have signed the present Treaty.

Done at the City of Washington the sixth day of February, One Thousand Nine Hundred and Twenty-Two.

Charles Evans Hughes
Henry Cabot Lodge
Oscar W. Underwood
Elihu Root
(for United States)

Arthur James Balfour
Lee of Fareham
A. C. Geddes
(for Great Britain)

G. F. Pearce, (for Australia)

A. Sarraut
Jusserand
(for France)

Carlo Schanzer
V. Rolandi Ricci
Luigi Albertini
(for Italy)

T. Kato
K. Shidehara
M. Hanihara
(for Japan)

R. L. Borden, (for Canada)

John W. Salmond, (for New Zealand)
Arthur James Balfour, (for Union of South Africa)
V. S. Srinivasa Sastri, (for India)

THE TREATY BETWEEN THE UNITED STATES, GREAT BRITAIN, JAPAN, FRANCE AND ITALY REGARDING THE USE OF SUBMARINES AND POISON GAS.

[The Treaty embodied the Root Resolutions as given on pages 9060 and 9061, except that Article III. there became Article IV. of the Treaty, whose Article III. was as follows:]

The Signatory Powers, desiring to insure the enforcement of the humane rules of existing law declared by them with respect to attacks upon and the seizure and destruction of merchant ships, further declare that any person in the service of any Power who shall violate any of those rules, whether or not such person is under orders of a governmental superior, shall be deemed to have violated the laws of war and shall be liable to trial and punishment as if for an act of piracy and may be brought to trial before the civil or military authorities of any Power within the jurisdiction of which he may be found.

[Article V. of the Treaty was as follows:]

The use in war of asphyxiating, poisonous or other gases, and all analogous liquids, materials or devices, having been justly condemned by the general opinion of the civilized world and a prohibition of such use having been declared in treaties to which a majority of the civilized Powers are parties,

The Signatory Powers, to the end that this prohibition shall be universally accepted as a part of international law binding alike the conscience and practice of nations, declare their assent to such prohibition, agree to be bound thereby as between themselves and invite all other civilized nations to adhere thereto.

[The treaty provided also for the adherence of any Power not originally signatory thereto.]

[The text of the Four-Power Pacific Treaty, together with the Declaration accompanying it, is given on pages 9051 and 9052. The reservation added by the Senate in ratifying was as follows:]

The United States understands that under the statement in the preamble or under the terms of this treaty there is no commitment to armed force, no alliance, no obligation to join in any defense.

[The Treaty supplementary to the above was as follows:]

The term "insular possessions and insular dominions" used in the aforesaid Treaty shall, in its application to Japan, include only Karafuto (or the Southern portion of the island of Sakhalin), Formosa and the Pescadores, and the islands under the mandate of Japan.

The present agreement shall have the same force and effect as the said Treaty to which it is supplementary.

The provisions of Article IV of the aforesaid Treaty of December 13, 1921, relating to ratification shall be applicable to the present Agreement.

[In ratifying this Treaty, the Senate added the following reservation:]

1. That the Four-Power Treaty relating to Pacific possessions shall apply to the mandated islands in the Pacific Ocean: *Provided, however,* That the making of the treaty shall not be deemed to be an assent on the part of the United States of America to the mandates and shall not preclude agreements between the United States of America and the mandatory Powers, respectively, in relation to the mandated islands.

2. That the controversies to which the second paragraph of Article I of the Four-Power Treaty relating to Pacific possessions refers shall not be taken to embrace questions which, according to principles of international law, lie exclusively within the domestic jurisdiction of the respective Powers.

THE NINE POWER TREATY ON CHINA

Article I. The Contracting Powers, other than China, agree:

(1) To respect the sovereignty, the independence, and the territorial and administrative integrity of China;

(2) To provide the fullest and most unembarrassed opportunity to China to develop and maintain for herself an effective and stable government;

(3) To use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China;

(4) To refrain from taking advantage of conditions in China in order to seek special rights or privileges which would abridge the rights of subjects or citizens of friendly States, and from countenancing action inimical to the security of such States.

Article II. The Contracting Powers agree not to enter into any treaty, agreement, arrangement, or understanding, either with one another, or, individually or collectively, with any Power or Powers, which would infringe or impair the principles stated in Article I.

Article III. With a view to applying more effectually the principles of the Open Door or equality of opportunity in China for the trade and industry of all nations, the Contracting Powers, other than China, agree that they will not seek, nor support their respective nationals in seeking:

(a) any arrangement which might purport to establish in favor of their interests any general superiority of rights with respect to commercial or economic development in any designated region of China;

(b) any such monopoly or preference as would deprive the nationals of any other Power of the right of undertaking any legitimate trade or industry in China, or of participating with the Chinese Government, or with any local authority, in any category of public enterprise, or which by reason of its scope, duration or geographical extent is calculated to frustrate the practical application of the principle of equal opportunity.

It is understood that the foregoing stipulations of this Article are not to be so construed as to prohibit the acquisition of such properties or rights as may be necessary to the conduct of a particular commercial, industrial, or financial undertaking or to the encouragement of invention and research.

China undertakes to be guided by the principles stated in the foregoing stipulations of this Article in dealing with applications for economic rights and privileges from Governments and nationals of all foreign countries, whether parties to the present Treaty or not.

Article IV. The Contracting Powers agree not to support any agreements by their respective nationals with each other designed to create Spheres of Influence or to provide for the enjoyment of mutually exclusive opportunities in designated parts of Chinese territory.

Article V. China agrees that, throughout the whole of the railways in China, she will not exercise or permit unfair discrimination of any kind. In particular there shall be no discrimination whatever, direct or indirect, in respect of charges or of facilities on the ground of the nationality of passengers or the countries from which or to which they are proceeding, or the origin or ownership of goods or the country from which or to which they are consigned, or the nationality or ownership of the ship or other means of conveying such passengers or goods before or after their transport on the Chinese Railways.

The Contracting Powers, other than China, assume a corresponding obligation in respect of any of the aforesaid railways over which they or their nationals are in a position to exercise any control in virtue of any concession, special agreement or otherwise.

Article VI. The Contracting Powers, other than China, agree fully to respect China's rights as a neutral in time of war to which China is not a party; and China declares that when she is a neutral she will observe the obligations of neutrality.

Article VII. The Contracting Powers agree that, whenever a situation arises which in the opinion of any one of them involves the application of the stipulations of the present Treaty, and renders desirable discussion of such application, there shall be full and frank communication between the Contracting Powers concerned.

Article VIII. Powers not signatory to the present Treaty, which have Governments recognized by the Signatory Powers and which have treaty relations with China, shall be invited to adhere to the present Treaty. To this end the Government of the United States will make the necessary communications to nonsignatory Powers and will inform the Contracting Powers of the replies received. Adherence by any Power shall become effective on receipt of notice thereof by the Government of the United States.

Article IX. The present Treaty shall be ratified by the Contracting Powers in accordance with their respective constitutional methods and shall take effect on the date of the deposit of all the ratifications, which shall take place at Washington as soon as possible. The Government of the United States will transmit to the other Contracting Powers a certified copy of the procès-verbal of the deposit of ratifications.

The present Treaty, of which the French and English texts are both authentic, shall remain deposited in the archives of the Government of the United States, and duly certified copies thereof shall be transmitted by that Government to the other Contracting Powers.

In faith whereof the above-named Plenipotentiaries have signed the present Treaty.

Done at the City of Washington the Sixth day of February One Thousand Nine Hundred and Twenty-Two.

(For United States.)	Charles Evans Hughes	[L. S.]
	Henry Cabot Lodge	[L. S.]
	Oscar W. Underwood	[L. S.]
	Elihu Root	[L. S.]
(For Belgium.)	Baron De Cartier De Marchienne	[L. S.]
(For Great Britain.)	Arthur James Balfour	[L. S.]
	Lee of Fareham	[L. S.]
	A. C. Geddes	[L. S.]
(For Canada.)	R. L. Borden	[L. S.]
(For Australia.)	G. F. Pearce	[L. S.]
(For New Zealand.)	John W. Salmond	[L. S.]

(For South Africa.)	Arthur James Balfour	[L. s.]
(For India.)	V. S. Srinivasa Sastri	[L. s.]
(For China.)	Sao-Ke Alfred Sze	[L. s.]
	V. K. Wellington Koo	[L. s.]
	Chung-Hui Wang	[L. s.]
(For France.)	A. Sarraut	[L. s.]
	Jusserand	[L. s.]
(For Italy.)	Carlo Schanzer	[L. s.]
	V. Rolandi Ricci	[L. s.]
	Luigi Albertini	[L. s.]
(For Japan.)	T. Kato	[L. s.]
	K. Shidehara	[L. s.]
	M. Hanihara	[L. s.]
(For The Netherlands.)	Beelaerts van Blokland	[L. s.]
	W. de Beaufort	[L. s.]
(For Portugal.)	Alte	[L. s.]
	Ernesto de Vasconcellos	[L. s.]

THE NINE POWER TREATY ON THE CHINESE TARIFF

Article I. The representatives of the Contracting Powers having adopted, on the fourth day of February, 1922, in the City of Washington, a Resolution, which is appended as an Annex to this Article, with respect to the revision of Chinese Customs duties, for the purpose of making such duties equivalent to an effective 5 per centum *ad valorem,* in accordance with existing treaties concluded by China with other nations, the Contracting Powers hereby confirm the said Resolution and undertake to accept the tariff rates fixed as a result of such revision. The said tariff rates shall become effective as soon as possible but not earlier than two months after publication thereof.

Annex. With a view to providing additional revenue to meet the needs of the Chinese Government, the Powers represented at this Conference, namely the United States of America, Belgium, the British Empire, China, France, Italy, Japan, The Netherlands, and Portugal agree:

That the customs schedule of duties on imports into China adopted by the Tariff Revision Commission at Shanghai on December 19, 1918, shall forthwith be revised so that the rates of duty shall be equivalent to 5 per cent. effective as provided for in the several commercial treaties to which China is a party.

A Revision Commission shall meet at Shanghai, at the earliest practicable date, to effect this revision forthwith and on the general lines of the last revision.

This Commission shall be composed of representatives of the Powers above named and of representatives of any additional Powers having Governments at present recognized by the Powers represented at this Conference and who have treaties with China providing for a tariff on imports and exports not to exceed 5 per cent. *ad valorem* and who desire to participate therein.

The revision shall proceed as rapidly as possible with a view to its completion within four months from the date of the adoption of this Resolution by the Conference on the Limitation of Armament and Pacific and Far Eastern Questions.

The revised tariff shall become effective as soon as possible but not earlier than two months after its publication by the Revision Commission

The Government of the United States, as convener of the present Conference, is requested forthwith to communicate the terms of this Resolution to the Governments of Powers not represented at this Conference but who participated in the Revision of 1918, aforesaid.

ARTICLE II. Immediate steps shall be taken, through a Special Conference, to prepare the way for the speedy abolition of likin and for the fulfillment of the other conditions laid down in Article VIII of the Treaty of September 5th, 1902, between Great Britain and China, in Articles IV and V of the Treaty of October 8th, 1903, between the United States and China, and in Article I of the Supplementary Treaty of October 8th, 1903, between Japan and China, with a view to levying the surtaxes provided for in those articles.

The Special Conference shall be composed of representatives of the Signatory Powers, and of such other Powers as may desire to participate and may adhere to the present Treaty, in accordance with the provisions of Article VIII, in sufficient time to allow their representatives to take part. It shall meet in China within three months after the coming into force of the present Treaty, on a day and at a place to be designated by the Chinese Government.

ARTICLE III. The Special Conference provided for in Article II shall consider the interim provisions to be applied prior to the abolition of likin and the fulfillment of the other conditions laid down in the articles of the treaties mentioned in Article II; and it shall authorize the levying of a surtax on dutiable imports as from such date, for such purposes, and subject to such conditions as it may determine.

The surtax shall be at a uniform rate of 2½ per centum *ad valorem*, provided, that in case of certain articles of luxury which, in the opinion of the Special Conference, can bear a greater increase without unduly impeding trade, the total surtax may be increased but may not exceed 5 per centum *ad valorem*.

ARTICLE IV. Following the immediate revision of the customs schedule of duties on imports into China, mentioned in Article I, there shall be a further revision thereof to take effect at the expiration of four years following the completion of the aforesaid immediate revision, in order to ensure that the customs duties shall correspond to the *ad valorem* rates fixed by the Special Conference provided for in Article II.

Following this further revision there shall be, for the same purpose, periodical revisions of the customs schedule of duties on imports into China every seven years, in lieu of the decennial revision authorized by existing treaties with China.

In order to prevent delay, any revision made in pursuance of this Article shall be effected in accordance with rules to be prescribed by the Special Conference provided for in Article II.

ARTICLE V. In all matters relating to customs duties there shall be effective equality of treatment and opportunity for all the Contracting Powers.

ARTICLE VI. The principle of uniformity in the rates of customs duties levied at all the land and maritime frontiers of China is hereby recognized. The Special Conference provided for in Article II shall make arrangements to give practical effect to this principle; and it is authorized to make equitable adjustments in those cases in which a customs privilege to be abolished was granted in return for some local economic advantage.

In the meantime, any increase in the rates of customs duties resulting from tariff revision, or any surtax hereafter imposed in pursuance of the present

Treaty, shall be levied at a uniform rate *ad valorem* at all land and maritime frontiers of China.

Article VII. The charge for transit passes shall be at the rate of 2½ per centum *ad valorem* until the arrangements provided for by Article II come into force.

Article VIII. Powers not signatory to the present Treaty whose Governments are at present recognized by the Signatory Powers, and whose present treaties with China provide for a tariff on imports and exports not to exceed 5 per centum *ad valorem*, shall be invited to adhere to the present Treaty.

The Government of the United States undertakes to make the necessary communications for this purpose and to inform the Governments of the Contracting Powers of the replies received. Adherence by any Power shall become effective on receipt of notice thereof by the Government of the United States.

Article IX. The provisions of the present Treaty shall override all stipulations of treaties between China and the respective Contracting Powers which are inconsistent therewith, other than stipulations according most favored nation treatment.

Article X. The present Treaty shall be ratified by the Contracting Powers in accordance with their respective constitutional methods and shall take effect on the date of the deposit of all the ratifications, which shall take place at Washington as soon as possible. The Government of the United States will transmit to the other Contracting Powers a certified copy of the procès-verbal of the deposit of ratifications.

The present Treaty, of which the English and French texts are both authentic, shall remain deposited in the archives of the Government of the United States, and duly certified copies thereof shall be transmitted by that Government to the other Contracting Powers.

In faith whereof the above-named Plenipotentiaries have signed the present Treaty.

Done at the City of Washington the sixth day of February, One Thousand Nine Hundred and Twenty-two.

[Among the Resolutions adopted were the following:]

NO. 1. RESOLUTION FOR A COMMISSION OF JURISTS TO CONSIDER AMENDMENT OF LAWS OF WAR.

The United States of America, the British Empire, France, Italy and Japan have agreed:—

I. That a Commission composed of not more than two members representing each of the above-mentioned Powers shall be constituted to consider the following questions:—

(a) Do existing rules of International Law adequately cover new methods of attack or defense resulting from the introduction or development, since the Hague Conference of 1907, of new agencies of warfare?

(b) If not so, what changes in the existing rules ought to be adopted in consequence thereof as a part of the law of nations?

II. That notices of appointment of the members of the Commission shall be transmitted to the Government of the United States of America within three months after the adjournment of the present Conference, which after consultation with the Powers concerned will fix the day and place for the meeting of the Commission.

III. That the Commission shall be at liberty to request assistance and advice from experts in International Law and in land, naval and aerial warfare.

IV. That the Commission shall report its conclusions to each of the Powers represented in its membership.

Those Powers shall thereupon confer as to the acceptance of the report and the course to be followed to secure the consideration of its recommendations by the other civilized Powers.

NO. 2. RESOLUTION LIMITING JURISDICTION OF COMMISSION OF JURISTS PROVIDED IN RESOLUTION NO. 1.

Resolved, That it is not the intention of the Powers agreeing to the appointment of a Commission to consider and report upon the rules of International Law respecting new agencies of warfare that the Commission shall review or report upon the rules or declarations relating to submarines or the use of noxious gases and chemicals already adopted by the Powers in this conference.

No. 3. RESOLUTION REGARDING A BOARD OF REFERENCE FOR FAR EASTERN QUESTION.

The representatives of the Powers assembled at the present Conference at Washington, to-wit:

The United States of America, Belgium, the British Empire, China, France, Italy, Japan, The Netherlands and Portugal:

Desiring to provide a procedure for dealing with questions that may arise in connection with the execution of the provisions of Articles III and V of the Treaty to be signed at Washington on February 6th, 1922, with reference to their general policy designed to stabilize conditions in the Far East, to safeguard the rights and interests of China, and to promote intercourse between China and the other Powers upon the basis of equality of opportunity;

Resolve that there shall be established in China a Board of Reference to which any questions arising in connection with the execution of the aforesaid Articles may be referred for investigation and report.

The Special Conference provided for in Article II of the Treaty to be signed at Washington on February 6th, 1922, with reference to the Chinese Customs Tariff, shall formulate for the approval of the Powers concerned a detailed plan for the constitution of the Board.

[For the subjects covered by the other resolutions, and for the declarations of national policy proclaimed at the Conference, consult the Encyclopedic Index article on "Armament Limitation Conference." The treaty with Japan regarding the island of Yap embodied the points set forth in the agreement on pages 9052, 9053 and 9054.]

[The two following messages were called forth by action and statements in the Senate during the debate on the ratification of the treaties produced by the Conference.]

THE WHITE HOUSE, *February 20, 1922.*

TO THE SENATE:

Responsive to Senate Resolution No. 237, asking for records, minutes, arguments, debates, conversations, etc., relating to the so-called Four-Power Treaty, I have to advise that it is impossible to comply with the Senate's request. Many of the things asked for in the resolution it is literally impossible to furnish, because there were many conversations and discussions quite outside the conference, yet vital to its success. Naturally these are without record.

I do not believe it to be compatible with public interest or consistent with the amenities of international negotiation to attempt to reveal informal and confidential conversations or discussions, of which no record was kept, or to submit tentative suggestions or informal proposals, without which the arrival at desirable international understandings would be rendered unlikely if not impossible.

While I am unable to transmit the information requested, I do, however, take this opportunity to say most emphatically that there were no concealed understandings, and no secret exchanges of notes, and there are no commitments whatever except as appear in the Four-Power Treaty itself and the supplementary agreement, which are now in the hands of the Senate.

Respectfully, WARREN G. HARDING

Washington, March 11, 1922

MY DEAR SENATOR: I understand that in the course of debate in the Senate upon the Four-Power Treaty questions have been raised with respect to its authorship. It seems to be implied that in some way the American delegates have been imposed upon, or that they were induced to accept some plan cunningly contrived by others and opposed to our interests. Apart from the reflection upon the competency of the American delegates, such intimations betray a very poor and erroneous conception of the work in connection with the conference, no part of which—whether within or outside the conference meetings—was begun, prosecuted, or concluded in intrigue. Nothing could be further from the fact.

It is, of course, wholly inconsistent with the amenities of international intercourse that the informal and confidential suggestions and conversations incident to negotiations should be stated, but the Senate may be assured that a full disclosure of everything said or done in the course of the negotiations would reveal nothing derogatory to the part taken by any of the American delegates, or involve any consideration or acceptance of any position not entirely consistent with the traditional policies of this Government.

It should be remembered that the Four-Power Treaty dealt with a subject—the Anglo-Japanese alliance—which, as an agreement between two Powers competent to make and continue it, was not, and in the nature of things could not be, appropriately placed upon the Conference agenda. Technically it was a matter outside the Conference, although the Conference furnished an excellent opportunity for conversations regarding it.

While I cannot, of course, undertake to state what was proposed or suggested in confidence by any of the delegates, I think it entirely proper to say that the negotiations relating to the Four-Power Treaty were conducted within limitations defined by the American Government. The views of this Government as to the importance of the termination of the Anglo-Japanese alliance had been communicated long before the Conference met, and it had also been clearly stated that this Government could enter into no alliance or make any commitment to the use of arms, or which would impose any sort of obligation as to its decisions in future contingencies. It must deal with any exigency according to its constitutional methods. In preparation for the Conference the American delegates reviewed the matter thoroughly, and the entire course of negotiations in connection with the Four-Power Treaty were in accord with these principles, and, as I have said, within the limits which we defined.

The treaty itself is very short and simple, and is perfectly clear. It requires no commentary. Its engagements are easily understood, and no ingenuity in argument or hostile criticism can add to them or make them other or greater than its unequivocal language sets forth. There are no secret notes or understandings.

In view of this, the question of authorship is unimportant. It was signed by Four Powers, whose delegates, respectively, adopted it, all having made various suggestions.

I may say, however, with respect to the general course of negotiations that after assent had been given by Great Britain and Japan that France should be a party to the agreement, I prepared a draft of the treaty based upon the various suggestions which had been exchanged between the delegates. This draft was first submitted to Senator Lodge and Mr. Root, as you were then absent on account of the death of your mother. After the approval of the American delegates, who were here, the draft was submitted to the representatives of other Powers, and became the subject of discussion between the heads of the delegations concerned, and with a few changes, which were approved by the American delegates, and which did not affect the spirit or substance of the proposed treaty, an agreement was reached. Immediately upon your return I went over the whole matter with you, and the proposed agreement received your approval. I should add that, in order to avoid any misunderstanding I prepared a memorandum to accompany the treaty with respect to its effect in relation to the mandated islands and reserving domestic questions.

At this stage, while it was not strictly a conference matter, in order to insure publicity at the earliest possible moment, the treaty as thus agreed upon, and before it had been signed, was presented by Senator Lodge to the Conference in plenary session and its import and limitations stated. His statement met with the acquiescence of all.

The treaty as thus drawn and notified was deemed to embrace the main islands of Japan. Later, in view of the sentiment, both in this country and Japan, it was deemed to be preferable to exclude these main islands, and a supplementary treaty was prepared to this effect, which designated the islands of Japan which it was to include.

There is not the slightest mystery about the treaty or basis for suspicion regarding it. It is a straightforward document which attains one of the most important objects the American Government has had in view, and is of the highest importance to the maintenance of friendly relations in the Far East upon a sound basis. As the President recently said, in his communication to the Senate, it is an essential part of the plan to create conditions in the Far East at once favorable to the maintenance of the policies we have long advocated and to an enduring peace.

In view of this, and in view of the relation of the treaty to the results of the Conference, its failure would be nothing short of a national calamity.

I am, my dear Senator, faithfully yours,

CHARLES E. HUGHES.

To the Honorable Oscar W. Underwood, United States Senate.

EXECUTIVE ORDER

[Relief for Russia.]

THE WHITE HOUSE, *January 24, 1922.*

By virtue of an Act of Congress entitled "An Act to authorize the President to transfer certain medical supplies for the relief of the distressed and famine-stricken people of Russia," approved January 20th, 1922, I, Warren G. Harding, President of the United States, for the purpose of carrying out the provisions of said Act, hereby select, designate and appoint the American Relief Administration as the relief organization to receive from the War, Navy and Treasury Departments, and the United States Shipping Board, out of the surplus supplies of said Departments, medicines, medical, surgical and hospital supplies for the relief of the distressed and famine-stricken people of Russia, in an amount not to exceed four million dollars original cost to the United States, and as may be delivered to and accepted by such American Relief Association without cost for transportation to the United States, provided said medicines, medical, surgical, and hospital supplies are delivered to the American Relief Administration within four months from the date of the passage of said Act.

I further authorize and direct the American Relief Administration, upon delivery to and acceptance by it of the medicines, medical, surgical and hospital supplies provided for in said Act, to transport to, and to distribute the same in, Russia for the purposes set out in the Act, and by such methods and means and to such places and persons as it, in its discretion, may determine. Provided, that, in making such distribution, the American Relief Administration may, in its discretion, if it believes there are other American relief organizations ministering to the relief of the suffering people of Russia that are better able to distribute such supplies in certain localities than the American Relief Administration, turn over such supplies in such amounts, to such other American relief organizations.

I further direct that the War, Navy and Treasury Departments, and the United States Shipping Board, shall report to the President the amounts of medicines, medical, surgical and hospital supplies delivered by each to the American Relief Administration, and the American Relief Administration shall make report as to the disposition made of said supplies.

WARREN G. HARDING.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION

[Lehman Caves National Monument—Nevada.]

Whereas, certain natural caves, known as the Lehman Caves, which are situated upon partly surveyed lands within the Nevada National

Forest in the State of Nevada, are of unusual scientific interest and importance, and it appears that the public interests will be promoted by reserving these caves with as much land as may be necessary for the proper protection thereof as a National Monument.

Now, therefore, I, Warren G. Harding, President of the United States of America, by virtue of the power in me vested by section two of the Act of Congress approved June eight, nineteen hundred and six, entitled, "An Act for the preservation of American antiquities," do proclaim that there are hereby reserved from all forms of appropriation under the public land laws, subject to all prior valid adverse claims, and set apart as a National Monument, all tracts of land in the State of Nevada shown as the Lehman Caves National Monument on the diagram forming a part hereof.

The reservation made by this proclamation is not intended to prevent the use of the lands for National Forest purposes under the proclamation establishing the Nevada National Forest, and the two reservations shall both be effective on the land withdrawn but the National Monument hereby established shall be the dominant reservation and any use of the land which interferes with its preservation or protection as a National Monument is hereby forbidden.

Warning is hereby given to all unauthorized persons not to appropriate, injure, deface, remove, or destroy any feature of this National Monument, or to locate or settle on any of the lands reserved by this proclamation.

In Witness Whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this twenty-fourth day of January, in the year of our Lord one thousand nine hundred and [SEAL.] twenty-two, and of the independence of the United States of America the one hundred and forty-sixth.

WARREN G. HARDING.

By the President:

CHARLES E. HUGHES, *Secretary of State.*

LETTER

[Taxation for Proposed Bonus to World War Veterans.]

THE WHITE HOUSE, *February 16, 1922.*

My Dear Mr. Fordney:

In accordance with the promise made to yourself and your associates on the Senate and House committees, charged with the responsibility of formulating proposed bonus legislation, I have carefully looked into the program of taxation which has been suggested. In addition thereto I have made inquiry into the feasibility of issuing either short-time

Treasury Notes or long-time bonds to meet the financial obligations which the proposed legislation will impose. It is not possible to commend to you either of the plans suggested.

It continues to be my best judgment that any compensation legislation enacted at this time ought to carry with it the provisions for raising the needed revenues and I find myself unable to suggest any commendable plan other than that of a general sales tax.

Such a tax will distribute the cost of rewarding the ex-service men in such a manner that it will be borne by all the people whom they served, and does not commit the Government to class imposition of taxes or the resumption of the burdens recently repealed, the maintenance of which can be justified only by a great war emergency.

It is fully realized how great is the difficulty which confronts the Congress in solving the difficult problem. I am aware of the strong sentiment in Congress in favor of this adjusted compensation. I have spoken approvingly myself, always with the reservation that the bestowal shall be made when it may be done without such injury to the country as will nullify the benefits to the ex-service men themselves which this expression of gratitude is designed to bestow.

It is not an agreeable thing to suggest that action be postponed again, but frankly I do not find myself favorable to the piecemeal payment plan, which is manifestly designed to avoid embarrassment to the Treasury. The long-drawn-out payments will not afford an effective helpfulness to the service men.

We have no serious problem in beginning the allotments of public lands and the immediate issue of paid-up insurance. The real difficulty lies in the payment of the cash bonus. Rather than provide that the maximum cash payments shall extend over a period of two and a half years it would be a vastly better bestowal if we could await the day when we may safely undertake to pay it once in full, so that the award may be turned to real advantage.

Inasmuch as the Treasury is to be called upon to meet more than $6,000,000,000 of maturing obligations in the sixteen months immediately before us, it is not possible to recommend the issue of several hundred millions of additional short-time notes. Further excessive borrowings would likely undo all that has been accomplished in readjusting interest rates and stabilizing the financial world, both vitally essential to the resumption of industrial and commercial activities.

Granting that it is not fair to oppose any proposed plan without offering a substitute, let me repeat that I believe the American people will accept a levy of a general sales tax to meet the proposed bonus payments, and we should contribute thereby no added difficulties to the problems of readjustment. If Congress will not adopt such a plan, it would be wise to let the legislation go over until there is a situation which will justify the large outlay.

We are driving for large economies, we are pushing the disposition of surplus war property, and have other transactions under consideration which ought to provide great relief to the federal Treasury. It is not consistent to enact legislation in anticipation of these things, but it would be a prudent plan to await the developments, and I can see in such a postponement no lack of regard for the service men in whom all the American people are so genuinely interested.

I take it that the ex-service men themselves are no less concerned than others about the restoration of business and the return to abundant employment. Those of their wounded or sick comrades who were impaired by their war service are being cared for with the most liberal generosity the nation can bestow. There are here and there exceptional cases of neglect and attending complaint, but we are seeking them out and correcting with all possible speed.

It has not been possible to meet all the demands for special hospitalization, but we are building to that end, without counting the cost. We are expending $400,000,000 a year in compensation hospitalization and rehabilitation. These things are recited to reassure you that such delay as will enable Congress to act in prudence for the common good, will have no suggestion of unmindfulness or ingratitude.

Yours very truly,

WARREN G. HARDING.

HON. JOS. W. FORDNEY, *House of Representatives,*
Washington, D. C.

ADDRESS TO CONGRESS

[Assistance to Merchant Marine.]

February 28, 1922.

Members of the Congress:

When addressing the Congress last December I reported to you the failure of the Executive to carry out the intent of certain features of the merchant marine act of 1920, notably the provision for the notice of cancellation of all commercial treaties which hindered our grant of discriminating duties on imports brought to our shores in American ships. There was no doubt about the high purpose of Congress to apply this proven practice to the upbuilding of our merchant marine. It had proven most effective in the earlier days of American shipping; it had, at various times, demonstrated its effectiveness in the upbuilding of commercial shipping for other nations.

The success of the earlier practice for this republic came at a time when we had few treaties, when our commerce was little developed

Its supersedure by reciprocity in shipping regulations, and the adoption of other methods of upbuilding merchant marines, through various forms of Government aid, and the century of negotiation of commercial treaties, all combined to develop a situation which should lead to endless embarrassment if we denounced our treaties. We should not only be quite alone in supporting a policy long since superseded through the growing intimacy of international relationships, but we should invite the disturbance of those cordial commercial relations which are the first requisite to the expansion of our commerce abroad.

Contemplating the readiness of Congress to grant a decreased duty on imports brought to our shores in American bottoms, and facing the embarrassments incident to readjustment of all treaty arrangements, it seemed desirable to find a way of applying suitable aid to our shipping, which the Congress clearly intended, and at the same time avoid the embarrassment of our trade relationships abroad.

The recommendation of to-day is based wholly on this commendable intent of Congress. This proposed aid of the Government to its merchant marine is to have its chief source in the duties collected on imports. Instead of applying the discriminating duty to the specific cargo, and thus encouraging only the inbound shipment, I propose that we shall collect all import duties, without discrimination as between American and foreign bottoms, and apply the heretofore proposed reduction to create a fund for the Government's aid to our merchant marine. By such a program we shall encourage not alone the carrying of inbound cargoes subject to our tariffs but we shall strengthen American ships in the carrying of that greater inbound tonnage on which no duties are levied, and, more important than these, we shall equip our merchant marine to serve our outbound commerce, which is the measure of our eminence in foreign trade.

It is interesting to note, in connection with the heretofore proposed plan of discriminating tariffs on imports, carried to our shores in American bottoms, that the total value of all dutiable imports for 1920, in all vessels, was $1,985,865,000, while the cargoes admitted free of duty, on which no discrimination was possible, were valued at $3,115,958,000. The actual tonnage comparison is even more significant from the viewpoint of cargo carrying, because the dutiable cargoes measured, in round numbers, 10,000,000 tons, and the nondutiable cargoes were 25,000,000 tons. The larger employment, by two and a half times, was in nondutiable shipments.

Continued trade must be reciprocal. We can not long maintain sales where we do not buy. In the promotion of these exchanges we should have as much concern for the promotion of sales as for the facilitation of our purchases. There is not a record in all history of long-maintained eminence in export trade, except as the exporting nations developed their own carrying capacity.

No story of national development is more fascinating or so full of romance as that of developing capacity for the exchanges of commerce. Expanding civilization may be traced over the avenues of exchanging cargoes. No matter how materialistic it may sound nations have developed for themselves and have influenced the world almost precisely as they have promoted their commerce. We need not refer to the armed conflicts which have been incident thereto. When commerce has been destroyed fading glories have attended.

It will avail nothing to attempt even the briefest résumé of our own efforts to reestablish that American importance in commerce carrying on the high seas which was recorded in the earlier days of the Republic. The aspiration is nation wide. The conflict between two schools of political thought heretofore has defeated all efforts to employ the governmental aid which other nations found advantageous while we held aloof, and the terms "subsidy" and "subvention" were made more or less hateful to the American public. But the nation-wide desire to restore our merchant marine has outlived all defeats and every costly failure.

Eight years ago the aspiration found expression in a movement to have the Government sponsor an enterprise in which individual genius seemingly had failed. It would be difficult correctly to appraise the policy, because the World War put an end to all normal activities. Before we were involved our shipyards were suddenly turned to feverish and costly activities by the call of the Allied Powers for shipping, without which they could not hope to survive. American energies were applied to construction for others, as we had never dreamed of doing for ourselves. When we were later engaged we trebled and quadrupled the output on our own account. Allied resources were called upon to build to meet the destruction by submarine warfare, and ships were so essential that material for them was given priority over arms and munitions. There was the call for ships, and ships, and yet more ships, and we enlarged old yards and established new ones without counting the cost. We builded madly, extravagantly, impractically, and yet miraculously, but we met a pressing need and performed a great service.

A people indifferent to the vital necessity of a merchant marine to the national defense, ungrudgingly expended at five times the cost of normal construction and appropriated billions where millions had been denied before. We acquired vast tonnage. Some of it, much of it, is suited to the peace service of expanded commerce. Some of it, much of it, may be charged to the errors and extravagances of war-time anxiety and haste. The war program, and that completion of contracts which followed because such a course seemed best to those then charged with responsibility, gave us something more than 12,000,000 gross tonnage, not counting the folly of the wood construction, at a total outlay of approximately three and one-half billions of dollars.

We thus became possessed of the vehicles of a great merchant marine. Not all of it was practical for use in the transoceanic trades; little of it was built for the speed which gives the coveted class to outstanding service. But here was vast tonnage for cargo service; and the Government, in the exceptional call of commerce which immediately followed the war, sought the establishment of shipping lines in every direction calculated to enhance our foreign trade and further cement our friendly relations.

The movement lacked in most cases that inherent essential to success which is found in individual initiative. It was rather a Government experiment, where lines were established in high hope and little assurance, because the Public Treasury was to bear the burden. There was the mere suggestion of private enterprise, inasmuch as allocations and charters were made under which private management was to share in profits and private interests were paid to make the experiment, though the Government was to bear all the losses. I forbear the detailed recital. The misadventure was so unfortunate that when the present administration came into responsibility the losses were approximately $16,000,000 a month, and to the cost of failure was added the humiliation of ships libeled in foreign ports.

In spite of all the later losses in operation, however, it is quite beyond question that our abundance of American tonnage was mainly responsible for our ability to share in the good fortunes of world trade during the two years immediately following the war. In all probability the losses we have sustained in our shipping activities were fully compensated to the American people in the saving of ocean freights in that period.

To-day we are possessed of vast tonnage, large and very costly experience, and the conviction of failure. It is fair to say that a mistaken policy was made more difficult by the unparalleled slump in shipping which came late in 1920 and prevailed throughout the year so recently closed. It was the inevitable reflex of the readjustments which follow a great war, and there were heavy losses in operations which had to be met by long-established and heretofore successful shipping lines, and ships built at top war costs took the slump in prices below the normal levels of peace.

But we have our ships, the second largest tonnage in the world, and we have the aspiration, aye, let me say, the determination, to establish a merchant marine commensurate with our commercial importance. Our problem is to turn the ships and our experience and aspirations into the effective development of an ocean-going shipping service without which there can be no assurance of maintained commercial eminence, without which any future conflict at arms will send us building again, wildly and extravagantly, when the proper concern for this necessary agency of commerce in peace will be our guaranty of defense in case that peace is disturbed.

Out of the story of the making of great merchant marines and out of our own experience we ought to find the practical solution. Happily we are less provincial than we once were, happily we have come to know how inseparable are our varied interests. Nobody pretends any longer that shipping is a matter of concern only to the ports involved. Commerce on the seas is quite as vital to the great interior as it is to our coast territory, east, south, or west. Shipping is no more a sectional interest than is agriculture or manufacturing. No one of them can be prospered alone.

We have had a new manifestation of this broadened vision in the enthusiasm of the great Middle West for the proposed Great Lakes-St. Lawrence waterway, by which it is intended to connect the Great Lakes ports with the marts of the world. There is far-seeing vision in the proposal, and this great and commendable enterprise, deserving your favorable consideration, is inseparable from a great merchant marine.

What, then, is our problem? I bring to you the suggestions which have resulted from a comprehensive study which are recommended to me by every member of the United States Shipping Board. It is a program of direct and indirect aid to shipping to be conducted by private enterprise. It is proposed to apply generally the benefits which it was designed to derive from discriminating duties to all ships engaged in foreign commerce, with such limitation on remuneration as will challenge every charge of promoting special interests at public cost.

In lieu of discriminating duties on imports brought to us in American bottoms it is proposed to take 10 per cent of all duties collected on imports brought to us in American or foreign bottoms, and create therefrom a merchant marine fund. To this fund shall be added the tonnage charges, taxes and fees imposed on vessels entering the ports of continental United States, also such sums as are payable to American vessels by the Post Office Department for the transportation by water of foreign mails, parcel posts excepted.

Out of this fund shall be paid the direct aid in the development and maintenance of an American merchant marine. The compensation shall be based on one-half of 1 cent for each gross ton of any vessel, regardless of speed, for each 100 miles traveled. When the speed is 13 knots or over, but less than 14, two-tenths of a cent on each gross ton shall be added; for 14 knots, three-tenths of a cent; for 15 knots, four-tenths of a cent; for 16 knots, five-tenths; for 17 knots, seven-tenths; for 18 knots, nine-tenths; for 19 knots, eleven-tenths; for 20 knots, thirteen-tenths shall be added to the basic rate. For 23 knots the maximum is reached at 2.6 cents for each gross ton per 100 miles traveled.

I will not attempt the details of requirements, or limitations, save to say that all vessels thus remunerated shall carry the United States mails, except parcel post, free of cost, and that all such remuneration must end whenever the owner of any vessel or vessels shall have derived a net operating income in excess of 10 per cent per annum upon his actual investment, and thereafter the owner shall pay 50 per cent of such excess earnings to the merchant marine fund, until the full amount of subsidy previously received is returned to its source. In other words, it is proposed to encourage the shipping in foreign trade until the enterprise may earn 10 per cent on actual investment, whereupon the direct aid extended is to cease and the amount advanced is to be returned out of a division with the Government of profits in excess of that 10 per cent. The provision makes impossible the enrichment of any special interest at public expense, puts an end to the Government assumption of all losses, and leaves to private enterprise the prospective profits of successful management.

The cost of such a program probably will reach fifteen millions the first year, estimated on the largest possibilities of the present fleet. With larger reimbursement to high-speed vessels and the enlargement of the merchant marine to a capacity comparable with our commerce the total outlay may reach the limits of thirty millions, but it is confidently believed that the scale may in due time thereafter be turned, until the larger reimbursements are restored to the Treasury. Even if we accept the extreme possibility—that we shall expend the maximum and no return will ever be made, which is to confess our inability to establish an American merchant marine—the expenditure would be vastly preferable to the present unfortunate situation, with our dependence on our competitors for the delivery of our products. Moreover, the cost for the entire year would be little more than the deficit heretofore encountered in two months during the experiment of the Government sponsoring the lines and guaranteeing the cost of their operation.

The proposed plan will supersede all postal subventions, postal compensations, and extra compensations, excepting parcel-post freights, all of which combined are fast growing to approximately five millions annually. It will ultimately take the Government out of a business which has been, and is now, excessively costly and wasteful and involving a loss in excess of the highest subsidy proposed. It will bring to shipping again that individual initiative which is the very soul of successful enterprise. It should enable the Government to liquidate its vast fleet to the highest possible advantage.

The making of a successful American merchant marine, which must face the stiffest possible competition by the fleets of the maritime nations, requires something more than the direct aid to which I have alluded. The direct aid proposed, even though it ultimately runs to $30,000,000 annually, is insufficient alone to offset the advantages of competing fleets. There are more than wage costs, and working conditions and the higher costs of rationing, which no considerable American sentiment will consent to have lowered to competing standards.

The men who sail the seas under our flag must be permitted to stand erect in the fullness of American opportunity. There is the higher cost of construction, the larger investment, the higher cost of insurance outlay, even though the rate is the same. There are higher interest charges. Our problems in shipping are very much the same as are those of our industries ashore, and we should be as zealous in promoting the one as we are in protecting the other. We may and must aid indirectly as well as directly.

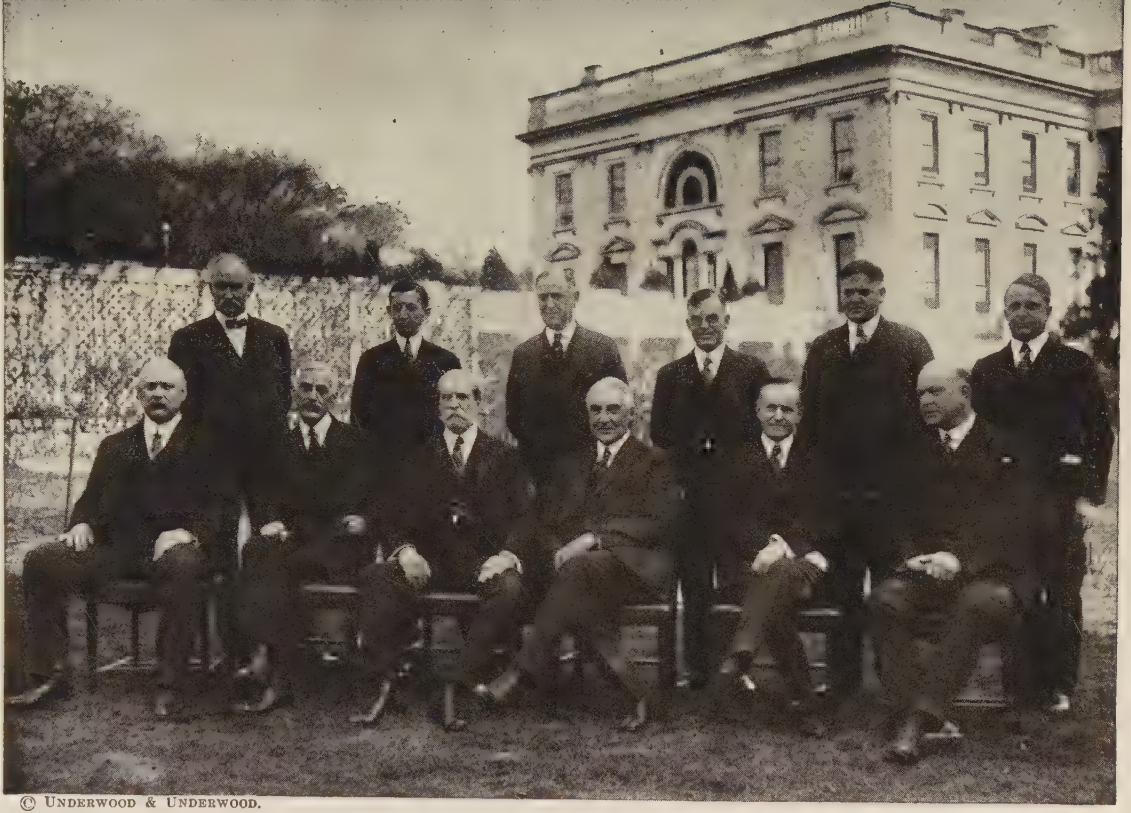
We need a favoring spirit, an awakened American pride, and an avowed American determination that we shall become, in the main, the carriers of our own commerce, in spite of all competition and all discouragements. With direct and indirect aid, I bring to you a definite program. Those who oppose it ought, in all fairness, to propose an acceptable alternative. There can be no dispute about the end at which we are aiming.

Of the indirect aids there are many, practically all without draft upon the public treasury, and yet all highly helpful in promoting American shipping.

It is a simple thing—seemingly it ought not require the action of Congress—but American officials traveling on Government missions at Government expense ought to travel on American ships, assuming that they afford suitable accommodations. If they do not afford the requisite accommodation on the main routes of world travel, the argument that we should upbuild is strongly emphasized.

I think we should discontinue, so far as practical, the transport services in the Army and Navy, and make our merchant and passenger ships the agents of service in peace as well as war.

We should make insurance available at no greater cost than is afforded the ships under competing flags, and we can and will make effective the spirit of section 28 of the Jones Act of 1920, providing for preferential rail and steamship rates on through shipments on American vessels. American railways must be brought into coopera-



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THE FIRST CABINET OF PRESIDENT HARDING

Seated, Left to Right—Secretary of War Weeks, Secretary of the Treasury Mellon, Secretary of State Hughes, President Harding, Vice President Coolidge, Secretary of the Navy Denby.

Standing, Left to Right—Secretary of the Interior Fall, Postmaster General Hays, Attorney General Daugherty, Secretary of Agriculture Wallace, Secretary of Commerce Hoover, Secretary of Labor Davis.

THE FIRST CABINET OF PRESIDENT HARDING

President Harding's selection of his cabinet mirrored the political situation which confronted his administration. Public attention was focused upon his choice for Secretary of State, for the choice of an advocate of the unreserved entrance of the United States into the League of Nations would have aroused the immediate opposition of the "Irreconcilables" who had succeeded in defeating ratification of the Treaty of Versailles; whereas the choice of an advocate of complete world-isolation for the United States would have run counter to Harding's own promise to effect "an association of nations." Moreover, it was necessary that a man of supreme intellectual ability be chosen, for it was evident that President Harding was not going to dominate the foreign policy of the administration as had President Wilson. All these requirements were happily met in Charles Evans Hughes.

Next to Secretary Hughes, the most prominent man to enter the cabinet was Herbert Hoover, endeared to Americans by his work as head of the Belgian Relief Administration and of the United States Food Administration during the War. His appointment was a concession to the "liberals" within the Republican Party, and also to a certain type of progressive business man who admired Mr. Hoover's firm grasp upon economic facts, here and abroad.

Mr. Daugherty had been President Harding's manager for the Presidential nomination, as well as his tactician previously in Ohio politics. Other appointments evidently dictated by political exigencies were those of Mr. Weeks, for many years a powerful influence within the Republican Party, and of Mr. Hays, who had achieved great success in unifying the Party and had managed its 1920 Presidential campaign.

Mr. Fall had been a close personal friend of the President in the Senate, and his inclusion in the cabinet was probably due also to his knowledge of affairs in Mexico. Mr. Denby, a former member of the House of Representatives, had seen service in the Marine Corps during the War. In the choice of Mr. Mellon for the Treasury position, the abilities of one of the most successful bankers of the country were secured, who, however, was not under the political handicap of being known as a "Wall Street man," and who was a constituent of Senator Penrose, the leader of the Republican Party in the Senate.

Mr. Wallace was the owner and editor of an extremely successful and influential agricultural journal. Mr. Davis had once been an active trade union member, so that his appointment might serve to enlist the applause of organized labor, whereas his period of union activity had been sufficiently distant not to alienate the business interests of the country by the appointment.

On the whole, the cabinet was representative of the conservative rather than of the "Progressive" wing of the Republican Party, thus reflecting President Harding's own conservative views while a member of the United States Senate.

tion with American steamship lines. It is not in accord with either security or sound business practice to have our railways furthering the interests of foreign shipping lines, when the concord of American activities makes for common American good fortune.

Contemplating the competition to be met, there ought to be an amendment to the interstate commerce act which will permit railway systems to own and operate steamship lines engaged in other than coastwise trade. There is measureless advantage in the longer shipments where rail and water transportation are coordinated, not alone in the service but in the solicitation of cargoes which ever attends an expanding commerce.

We may further extend our long-established protection to our coastwise trade, which is quite in harmony with the policy of most maritime Powers. There is authority now to include the Philippines in our coastwise trade, and we need only the establishment of proper facilities to justify the inclusion of our commerce with the islands in our coastwise provisions. The freedom of our continental markets is well worth such a favoring policy to American ships, whenever the facilities are suited to meet all requirements.

Other indirect aids will be found in the requirement that immigration shall join wherever it is found to be practical in aiding the merchant marine of our flag under which citizenship is to be sought, and in the establishment of the merchant-marine naval reserve. The remission of a proportion of income taxes is wholly compatible when the shipping enterprise is of direct Government concern, provided that such remission is applied to the cost of new ship construction.

Congress has already provided for a loan fund to encourage construction. It might well be made applicable to some special requirements in reconditioning.

It is also worth our consideration that, in view of suspended naval construction, the continued building of merchant ships is the one guaranty of a maintained shipbuilding industry, without which no nation may hope to hold a high place in the world of commerce or be assured of adequate defense.

A very effective indirect aid, a substitute for a discriminating duty which shall inure to the benefit of the American shipper will be found in the proposed deduction on incomes, amounting to five per centum of the freight paid on cargoes carried in American bottoms. The benefits can have no geographical restrictions, and it offers its advantages to American exporters as well as those who engage in import trade.

Our existing ships should be sold at prices prevailing in the world market. I am not unmindful of the hesitancy to sacrifice the values to current price levels. We constructed at the top cost of war when necessity impelled, when the building resources of many nations were drawn upon to the limit to meet a great emergency. If there had come no depression, a return to approximate normal cost would have been inevitable. But the great slump in shipping has sent tonnage prices to the other extreme, not for America alone, but throughout the world.

If we held our ships to await the recovery we should only make more difficult our response to beckoning opportunity. One of the outstanding barriers to general readjustment is the tendency to await more favorable price conditions. In the widest view, the nation will ultimately profit by selling now. We may end our losses in an enterprise for which we are not equipped, and which no other Government has successfully undertaken, and the low prices at which we must sell to-day will make a lower actual investment with which we deal in promoting permanent service.

If I were not deeply concerned with the upbuilding of our merchant marine, I should nevertheless strongly urge Congress to facilitate the disposal of the vast tonnage acquired or constructed in the great war emergency. The experiment we have made has been very costly. Much has been learned, to be sure, but the outstanding lesson is that the Government can not profitably manage our merchant shipping. The most fortunate changes in the personnel of management would still leave us struggling with a policy fundamentally wrong and practically impossible.

Having failed at such enormous cost, I bring you the proposal which contemplates the return to individual initiative and private enterprise, aided to a conservative success, wherein we are safeguarded against the promotion of private greed, and do not discourage the hope of profitable investment, which underlies all successful endeavor.

We have voiced our concern for the good fortunes of agriculture, and it is right that we should. We have long proclaimed our interest in manufacturing, which is thoroughly sound, and helped to make us what we are. In the evolution of railway transportation we have revealed the vital relationship of our rail transportation to both agriculture and commerce. We have been expending for many years large sums for deepened channels and better harbors and improved inland waterways, and much of it has found abundant return in enlarged commerce. But we have ignored our merchant marine. The World War revealed our weakness, our unpreparedness for defense in war, our unreadiness for self-reliance in peace.

It would seem as though transpiring events were combining to admonish us not to fail now to reassert ourselves. In the romantic days of wooden hulls and whitened sails and the sturdiest men of the sea we outsailed the world, and carried our own cargoes, revealed our flag to the marts of the world.

Up to the World War we were a debtor nation. Our obligations were held largely by the maritime Powers. Apart from the advantages in carrying our commerce, they sought our shipments for the balances due to them. There is a different condition now. They are concerned with shipments to us, but not so interested in our shipments to them. It is our high purpose to continue our exchanges, both buying and selling, but we shall be surer of our selling, notably our foodstuffs, if we maintain facilities for their transportation.

Contemporaneous with the awakening, we have the proposal to carry our ocean-going facilities to the great "unsalted seas," which shall place the farms of the upper Mississippi Valley on a market way to the marts of the Old World. We should fail to adjust our vision to the possibilities if we halted in making for American eminence on the ocean highways now awaiting our return.

We have recently joined the great naval Powers in a program which not only puts an end to costly competition in naval armament and reduces the naval forces of the world, but adds to the confidence in maintained peace. The relativity of strength among the Powers would be wholly one of disappointing theory, if ours is to be a merchant marine inadequate for the future. I do not care to stress it as a means of defense. The war and our enforced outlay have already stressed that point.

The merchant marine is universally recognized as the second line of naval defense. It is indispensable in the time of great national emergency. It is commendable to upbuild and maintain, because it is the highest agency of peace and amity, and bears no threat and incites no suspicion. And yet it is a supreme assurance, without which we should be unmindful of our safety and unheeding of our need to continued growth and maintained influence.

I am thinking of the merchant marine of peace. Commerce is inseparable from progress and attainment. Commerce and its handmaidens have wrought the greater intimacy among nations, which calls for understandings and guaranties of peace. However we work it out, whatever our adjustments are to promote international trade, it is inevitable that the hundred millions here, outstanding in genius and unrivaled in industry and incalculable in their resources, must be conspicuous in the world's exchanges. We can not hope to compete unless we carry, and our concord and our influence are sure to be measured by that unfailing standard which is found in a nation's merchant marine.

SPECIAL MESSAGE TO CONGRESS

[Appointment of General Russell as High Commissioner to Haiti.]

THE WHITE HOUSE, *March 2, 1922.*

To the Senate:

In response to your resolution of February 23, requesting a copy of any order, commission, or other authorization issued by me or under my direction to Brigadier General John H. Russell authorizing him to act for or on behalf of the Government of the United States in Haiti, with a copy of any instructions, etc., I am inclosing herewith a copy of the commission issued to General Russell. I trust the information conveyed in the copy of the commission will satisfactorily convey such information as the Senate desires, because I very respectfully submit that it would not be compatible with the public interest to make public the specific instructions under which he is charged with the performance of his duties as the American high commissioner.

Very respectfully, WARREN G. HARDING.

WARREN G. HARDING, PRESIDENT OF THE UNITED STATES OF AMERICA.

To all who shall see these presents, greeting:

Know ye, that reposing special trust and confidence in the integrity and ability of Brigadier General John H. Russell, United States Marine Corps, I do appoint him high commissioner, with the rank of ambassador extraordinary, to represent the President of the United States in Haiti for the purpose of investigating, reporting upon, and supervising the performance of their duties by the officers nominated by the President of the United States and appointed by the President of Haiti pursuant to the provisions of the treaty between the United States and Haiti, signed at Port au Prince, September 16, 1915, in order that the purposes of said treaty may be fully accomplished.

In testimony whereof I have caused the seal of the United States to be hereto affixed.

Given under my hand, at the city of Washington, this 11th day of February, in the year of our Lord 1922 and of the independence of the United States of America the one hundred and forty-sixth.

[SEAL] WARREN G. HARDING.

By the President:

CHARLES E. HUGHES, *Secretary of State.*

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION

[Exportation of Arms or Munitions of War to China Unlawful.]

Whereas, Section 1 of a Joint Resolution of Congress, entitled a "Joint Resolution to prohibit the exportation of arms or munitions of war from the United States to certain countries, and for other purposes," approved January 31, 1922, provides as follows:

> "That whenever the President finds that in any American country, or in any country in which the United States exercises extraterritorial jurisdiction, conditions of domestic violence exist, which are or may be promoted by the use of arms or munitions of war procured from the United States, and makes proclamation thereof, it shall be unlawful to export, except under such limitations and exceptions as the President prescribes, any arms or munitions of war from any place in the United States to such country until otherwise ordered by the President or by Congress."

And whereas, it is provided by Section II of the said Joint Resolution that:

> "Whoever exports arms or munitions of war in violation of Section I shall on conviction, be punished by fine not exceeding $10,000, or by imprisonment not exceeding two years, or both."

Now, therefore, I, Warren G. Harding, President of the United States of America, acting under and by virtue of the authority conferred in me by the said Joint Resolution of Congress, do hereby declare and proclaim that I have found that there exist in China such conditions of domestic violence which are or may be promoted by the use of arms or munitions of war procured from the United States as contemplated by the said Joint Resolution; and I do hereby admonish all citizens of the United States and every person to abstain from every violation of the provisions of the Joint Resolution above set forth, hereby made applicable to China, and I do hereby warn them that all violations of such provisions will be rigorously prosecuted.

And I do hereby enjoin upon all officers of the United States, charged with the execution of the laws thereof, the utmost diligence in preventing violations of the said Joint Resolution and this my Proclamation issued thereunder, and in bringing to trial and punishment any offenders against the same.

And I do hereby delegate to the Secretary of State the Power of prescribing exceptions and limitations to the application of the said Joint Resolution of January 31, 1922, as made effective by this my Proclamation issued thereunder.

In Witness Whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this fourth day of March in the
year of our Lord one thousand nine hundred and twenty-two
[SEAL.] and of the Independence of the United States of America the
one hundred and forty-sixth.

WARREN G. HARDING.

By the President:

HENRY P. FLETCHER, *Acting Secretary of State.*

STATE DEPARTMENT NOTE

[Declining Invitation to Attend International Economic Conference at Genoa, Italy.]

Washington, March 8, 1922

Excellency:

I have the honor to acknowledge the receipt of your Excellency's note transmitting the invitation addressed by the Italian Government to the Government of the United States to take part in an "economic and financial" conference to be convened at Genoa, pursuant to the resolution adopted on January 6, 1922, by the Allied Governments in conference at Cannes. I have also received your later notes with respect to American representation, the proposed agenda and the postponement of the date of the proposed conference.

Since the receipt of your Excellency's first note the question of American participation in the proposed conference has had the most earnest attention. I am sure that you will realize that the Government of the United States must take a deep interest in any conference which holds promise of effective measures to promote the economic rehabilitation of Europe, since not only do we keenly desire the return of prosperity to the peoples who have suffered most severely from the wastes and dislocations of war, but it is also manifest that there can be no improvement in world conditions in the absence of European recuperation. It is with this sympathetic spirit, and with the utmost reluctance to withhold its support from any appropriate effort to attain this object, that the Government of the United States has examined the resolution adopted at Cannes and the suggested agenda for the conference.

I regret to inform your Excellency that, as a result of this examination, it has been found impossible to escape the conclusion that the prospective conference is not merely an economic conference, as questions appear to have been excluded from consideration without the satisfactory determination of which the chief causes of economic disturbance must continue to operate, but is rather a conference of a political character in which the Government of the United States could not helpfully participate.

This Government can not be unmindful of the clear conviction of the American people, while desirous, as has been abundantly demonstrated, suitably to assist in the recovery of the economic life of Europe, that they should not unnecessarily become involved in European political questions. It may be added, with respect to Russia, that this Government, anxious to do all in its power to promote the welfare of the Russian people, views with the most eager and friendly interest every step taken toward the restoration of economic conditions which will permit Russia to regain her productive power; but these conditions, in the view of this Government, cannot be secured until adequate action is taken on the part of those chiefly responsible for Russia's present economic disorder.

It is also the view of this Government—and it trusts that view is shared by the Governments who have called the conference—that while awaiting the establishment of the essential basis of productivity in Russia, to which reference was made in the public declaration of this Government on March 25, 1921, and without which this Government believes all consideration of economic revival to be futile, nothing should be done looking to the obtaining of economic advantages in Russia which would impair the just opportunities of others, but that the resources of the Russian people should be free from such exploitation and that fair and equal economic opportunity in their interest, as well as in the interest of all the Powers, should be preserved.

While this Government does not believe that it should participate in the proposed conference, it sincerely hopes that progress may be made in preparing the way for the eventual discussion and settlement of the fundamental economic and financial questions relating to European recuperation which press for solution.

Accept, Excellency, the renewed assurance of my highest consideration.

CHARLES E. HUGHES.

His Excellency,
Senator Vittorio Rolandi Ricci, *Ambassador of Italy.*

SPECIAL MESSAGE TO SENATE

[Effect of Lansing-Ishii Agreement on China.]

THE WHITE HOUSE, *March 8, 1922.*

To the Senate:

I have received the resolution (S. Res. 251) requesting me, if not incompatible with the public interest—

> to advise the Senate as to the present status and binding effect of what is known as the Lansing-Ishii agreement between the United States and the Empire of Japan.
>
> Secondly, as to whether or not the Four-Power pact, now before the Senate for consideration, if ratified, will abrogate, nullify, or in any way modify such agreement, and as to what will be the status of said agreement after the ratification of said Four-Power pact.

The so-called Lansing-Ishii Agreement, signed November 2, 1917, was not a treaty, but was an exchange of notes between the Secretary of State of the United States and Viscount Ishii, ambassador extraordinary and plenipotentiary of Japan on special mission. It was described in the notes themselves as a public announcement of the desires and intentions shared by the two Governments with regard to China. This exchange of notes, in the nature of things, did not constitute anything more than a declaration of executive policy. It is hardly necessary to point out that such a declaration, or exchange of notes, could not have any effect whatever inconsistent with treaty obligations whether existing or thereafter coming into force.

The statement in the notes in question which apparently called forth your resolution is as follows:

> The Governments of the United States and Japan recognize that territorial propinquity creates special relations between countries, and, consequently, the Government of the United States recognizes that Japan has special interests in China, and particularly in the part to which her possessions are contiguous.

In the light of the other declarations of the notes in question, it has been the view of the Government of the United States that this reference to special interests in China did not recognize any right or claim inconsistent with the sovereignty or political independence of China or with our "open-door" policy.

That this was not an erroneous construction appears from the meaning ascribed to the phrase "special interests in China," which is found in the final statement made on behalf of Japan at the recent conference (S. Doc. No. 126, 67th Cong., 2d sess., p. 223). The phrase was interpreted to mean that propinquity gave rise to an interest differing only in degree, but not in kind, as compared with the interests of other Powers. It was said to intimate "no claim or pretension of any kind prejudicial to China or to any other foreign nation," and not to connote "any intention of securing preferential or exclusive economic rights in China."

Happily, as a result of the conference, it is not now necessary to consider any possible ambiguity in the expressions used in the Lansing-Ishii agreement of 1917, as any question which they might have raised has been completely set at rest by the treaty now before the Senate, to which the United States and Japan are parties. I refer to the treaty between the nine Powers which explicitly sets forth the principles and policies to be maintained by the signatory Powers in relation to China.

It is thus agreed to respect the sovereignty, the independence and the territorial and administrative integrity of China; to provide the fullest and most unembarrassed opportunity to develop and maintain for herself an effective and stable government; to use their influence for the purpose of effectually establishing and maintaining the principle of equal opportunity for the commerce and industry of all nations throughout the territory of China; to refrain from taking advantage of conditions in China in order to secure special rights or privileges which would abridge the rights of subjects or citizens of friendly states, and from countenancing action inimical to the security of such states.

More specifically the signatory Powers agree that they will not seek, nor support their respective nationals in seeking, any arrangement which might purport to establish in favor of their interests any general superiority of rights with respect to commercial or economic development in any designated region of China, or any such monopoly or privilege as would deprive the nationals of any other Power of the right of undertaking any legitimate trade or industry in China, or of participating with the Chinese Government or with any local authority, in any category of public enterprise, or which by reason of its scope, duration, or geographical extent is calculated to frustrate the practical application of the principle of equal opportunity.

And, further, the signatory Powers agree not to support any agreements by their respective nationals with each other designed to create spheres of influence or to provide for the enjoyment of mutually exclusive opportunities in designated parts of Chinese territory.

The negotiation of this treaty is in itself the most formal declaration of the policy of the Executive in relation to China, and supersedes any

Executive understanding or declaration that could possibly be asserted to have any contrary import. If the Senate assents to this treaty, the principles and policies which the treaty declares will be supported and enforced by a binding international agreement.

My answer, then, to your first question is that the so-called Lansing-Ishii Agreement has no binding effect whatever, either with respect to the past or to the future, which is in any sense inconsistent with the principles and policies explicitly declared in the Nine-Power Treaty to which I have referred.

As to your second question, I may say that the Four-Power Treaty does not refer to China and hence does not directly bear upon the Lansing-Ishii notes which related exclusively to China. The Four-Power Treaty, however, is an essential part of the plan to create conditions in the Far East at once favorable to the policies we have long advocated and to an enduring peace.

WARREN G. HARDING.

A PROCLAMATION

[Germany—Suspension of Tonnage Dues.]

Whereas, Section 4228 of the Revised Statutes in part provides as follows:

> Upon satisfactory proof being given to the President, by the Government of any foreign nation, that no discriminating duties of tonnage or imposts are imposed or levied in the ports of such nation upon vessels wholly belonging to citizens of the United States, or upon the produce, manufactures, or merchandise imported in the same from the United States or from any foreign country, the President may issue his proclamation, declaring that the foreign discriminating duties of tonnage and impost within the United States are suspended and discontinued, so far as respects vessels of such foreign nation, and the produce, manufactures, or merchandise imported into the United States from such foreign nation, or from any other foreign country; the suspension to take effect from the time of such notification being given to the President, and to continue so long as the reciprocal exemption of vessels, belonging to citizens of the United States, and their cargoes, shall be continued, and no longer.

Whereas, satisfactory proof was received by me from the German Government on November 11, 1921, that no discriminating duties of tonnage or imposts are levied or imposed in the waters of Germany upon vessels wholly belonging to citizens of the United States or upon the produce, manufactures, or merchandise imported in such vessels, from the United States, or from any foreign country:

Now, therefore, I, Warren G. Harding, President of the United States of America, by virtue of the authority vested in me by Section four thousand, two hundred and twenty-eight of the Revised Statutes of the United States, do hereby declare and proclaim that the foreign discriminating duties of tonnage and imposts within the United States are suspended and discontinued so far as respects the vessels of Germany and the produce, manufactures, or merchandise imported in said vessels into the United States from Germany, or from any other foreign country; the suspension to take effect from November 11, 1921, and to continue so long as the reciprocal exemption of vessels belonging to citizens of the United States and their cargoes shall be continued, and no longer.

In Testimony Whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this 22nd day of March, in the year of our Lord one thousand nine hundred and twenty-two, [SEAL.] and of the independence of the United States the one hundred and forty-sixth. WARREN G. HARDING.

By the President:
CHARLES E. HUGHES, *Secretary of State*.

STATE DEPARTMENT IDENTIC NOTE

To Great Britain, France, Italy, Japan, Belgium.

[Collection of Costs of the American Army of Occupation in Germany.]

*March 20, 1922**

The Government of the United States has believed, and still believes, that the Governments of the Allied Powers have no disposition to question the right of the United States to be paid, upon an equal footing with them, the actual cost of its army of occupation which it has maintained in Germany since the joint armistice agreement of November 11, 1918. While the attitude of the Government of the United States in expecting full payment of these costs has been repeatedly set forth, it is deemed to be appropriate, in view of recent developments, to make this statement of its position.

The amount of the claim of the United States for its army costs is understood to be well known and to be free from any substantial dispute. According to the information and accounts in the possession of the Allied Governments it appears that the total cost of all the armies of occupation from November 11, 1918, to May 1, 1921, amounted to 3,639,282,000 gold marks; that the amounts due to Belgium, France and Italy for their army costs for that period have been paid in full (chiefly though deliveries of property), and that the unpaid balance of army costs due May 1, 1921, amounted to 1,660,090,000 gold marks due to the United States and the British Empire as follows:

United States, 966,374,000 gold marks.
British Empire, 693,716,000 gold marks.

It is understood that between May 1, 1921, and December 31, 1921, the British Government received cash payments as against this balance, of about 130,696,000 gold marks. In view of the position taken by the Government of the United States, this payment was expressly made and received subject to the rights of the United States.

In November, 1921, the commission appointed by the Supreme Council to give its opinion on the expenses of the armies of occupation made its report, dealing with the army costs since May 1, 1921. This included calculations with respect to the American army, and its actual costs since that date were included in the proposed provision for payment pari passu with the other Powers. It had been supposed that this report to the Supreme Council would be referred to the Conference of Ambassadors and would pave the way for suitable action with respect to the American army costs both current and accumulated. It was with surprise that the Government of the United States recently learned that negotiations in connection with and following the meeting at Cannes in January last, apparently contemplated the substitution for the recommendation of the army costs commission of other arrangements which would ignore American army costs altogether, although estimates both for army costs and reparations were being made on the basis of the entire capacity of the German Government to pay.

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*Made public March 25, 1922.

When it came to the notice of this Government that it was proposed at the meeting of the Finance Ministers to convene at Paris on March 8, definitely to assign the greater portion of the amount heretofore paid in cash by Germany, and not yet finally allocated, to the payment of army costs without making any provision for those of the American army, it was deemed advisable again to direct attention to the position of the United States. The Government of the United States had been advised that all the arrangements of the Finance Ministers have been made subject to the rights of the United States and that these Ministers have also suggested that the Government of the United States should take up the question directly with the Governments concerned.

The armistice agreement concluded between the Allied and associated Governments and Germany on November 11, 1918, provided for military occupation by the Allied and United States forces jointly, and it was expressly provided that

> The upkeep of the troops of occupation in the Rhine districts (excluding Alsace-Lorraine) shall be charged to the German Government.

It is not believed that the meaning of this agreement can be regarded as doubtful. It had not only its expressed provision, but its necessary implications. It is the view of this Government, and it is confidently believed that it is the view of all the Governments concerned, that this agreement on the part of the Allied and associated Governments with Germany and with each other had the clear import that the Powers associated in this joint enterprise should stand upon an equal footing as to the payment of all the actual costs of their armies of occupation, and that none of the Powers could, consistently with the agreement, make any arrangements for a preferential or exclusive right of payment.

Further, it is assumed that it would not for a moment be contended that any of the Allied Powers would have been entitled to enter into any arrangement by which all the assets or revenues of the German Empire and its constituent states would be taken for their benefit to the exclusion of any of the other Powers concerned.

It was apparently in recognition of the existing and continuing obligation as to army costs that in the Treaty of Versailles, in undertaking to place "a first charge upon all the assets and revenues of the German Empire and its constituent states" (Article 248) priority was given to the total costs of all armies of the Allied and associated Governments in occupied German territory from the date of the signature of the armistice agreement.

Article 248 and 251 of the Treaty of Versailles provide:

> ARTICLE 248. There shall be paid by the German Government the total cost of all armies of the Allied and associated Governments in occupied German territory from the date of the signature of the armistice of November

> 11, 1918, including the keep of men and beasts, lodging and billeting, pay and allowances, salaries and wages, bedding, heating, lighting, clothing, equipment, harness and saddlery, armament and rolling stock, air services, treatment of sick and wounded, veterinary and remount services, transport service of all sorts (such as by rail, sea or river, motor lorries), communications and correspondence, and in general the cost of all administrative or technical services the working of which is necessary for the training of troops and for keeping their numbers up to strength and preserving their military efficiency. . . .
>
> ARTICLE 251. The priority of the charges established by Article 248 shall, subject to the qualifications made below, be as follows:
>
> (A) The cost of the armies of occupation as defined under Article 249 during the armistice and its extensions:
>
> (B) The cost of any armies of occupation as defined under Article 249 after the coming into force of the present treaty.

By the treaty between the United States and Germany, signed August 25, 1921, the ratifications of which were exchanged on November 11, 1921, it is provided that the United States shall have and enjoy the rights and advantages stipulated for the benefit of the United States in the Treaty of Versailles, notwithstanding the fact that the treaty has not been ratified by the United States. The Government of the United States entertains the view and submits it to the consideration of the Allied Governments, that the United States is entitled to payment of the costs of its army of occupation pari passu with the Allied Governments and that payments received by them from Germany in the circumstances disclosed cannot be used to the exclusion of the United States without its consent.

The Government of the United States is unable to conclude that the justice of its claim is not fully recognized. The Governments of the Allied Powers will not be unmindful of the fact that the Government of the United States has repeatedly and earnestly been solicited not to withdraw its army of occupation and this army has been continued upon the basis of the right to be paid its actual cost upon an equal footing with the Allies. But, while it is believed that the Allied Governments cannot fail to appreciate the manifest equity of the claim of the United States, it is understood that it has been suggested that there are technical difficulties which stand in the way of its recognition.

While willing to give full consideration to every possible question, this Government is unable to find any such technical obstacle. It is assumed that if any technical question were raised, it would be based upon the fact that the United States has not ratified the Treaty of Versailles. It may be pointed out, however, that Germany has explicitly consented to the priority of payment of the cost of the American army of occupation, notwithstanding the fact that the Treaty of Versailles has not been ratified by the United States. Hence, any technical objection to the application of the payments made by Germany to the discharge of the just claim of the United States for the cost of its army of occupation upon the ground that the United States had not ratified the Treaty of Versailles would necessarily rest not upon any action or lack of action on the part of Germany, but solely upon the refusal of the Governments of the Allied Powers themselves to permit the discharge of an admittedly equitable claim and thus to seek to maintain in their behalf exclusively a first charge upon all the assets and revenues of the German Empire and its constituent states for demands exhausting the full capacity of the German Government to pay. The Government of the United States finds it impossible to conceive that any such attitude would be taken by the Allied Governments.

The Government of the United States believes that its right to priority of payment for its actual army costs, upon an equal footing with the Allied Powers, is not in any way affected by its failure to ratify the Treaty of Versailles. The right of the United States to share in this priority was not expressly conditioned, and in view of the nature of the claim and of the fact that the treaty purported to create a first charge upon all assets and revenues of the German Empire should not be construed as being conditioned upon the ratification of the treaty by the United States.

It may be noted that the treaty was to come into force on the ratification on the part of Germany and of three of the principal Allied and associated Powers. By Article 251, quoted above, there is provision for priority of the cost of the armies of occupation during the armistice and its extensions and the cost of "any armies" of occupation after the coming into force of the treaty. This would seem clearly to embrace the cost of the army of occupation maintained by the United States.

The Government of the United States believes that its right to be paid the actual cost of its army of occupation pari passu with the cost of the armies of the Allied Powers is not only a clearly equitable right but is free from any technical objection.

This Government will welcome any suggestion from the Allied Governments for the reasonable adjustment of this matter. Upon receiving assurances of payment, this Government will be only too happy to proceed to the consideration of suitable means by which its just claim may be satisfied. Pending such consideration and adjustment, this Government earnestly hopes that the Allied Governments will be disposed to refrain from giving effect to any arrangements for the distribution of cash payments received from Germany to the exclusion of the United States.

HUGHES.

SUPPLEMENTARY NOTE*

In its note of March 22, 1922, the Government of the United States stated that according to the information and accounts in the possession of the Allied Governments, it appeared that the amount due to France for its army costs to May 1, 1921, had been paid in full, chiefly through the deliveries of property.

The Government of the United States is now informed that it is proposed to postpone the debt to France for the value of the Sarre mines as though delivery were made in kind during the year 1922. This Government does not deem it to be necessary at this time to enter into questions relating to debits or credits in the account or to consider the effect of the postponement of the debt for the value of the Sarre mines, and all questions of this character are fully reserved. It is deemed to be sufficient to say that it is the view of the Government of the United States that the question whether or not there would be a deficit in the French account for army costs as of May 1, 1921, upon a final agreed statement of that account, is a matter which does not affect the position of this Government with respect to its right to receive the payment of the actual cost of its army of occupation upon an equal footing with the Allied Powers.

EXPLANATORY STATEMENT OF ABOVE

After the dispatch of the instructions to the American diplomatic representatives for delivery of the identic note on army costs, the Department of State was informed that it had been proposed to postpone the debit to France, as against its army costs, of the value of the Sarre mines to the year 1922. The postponement of this debit would affect the balance of the account as of May 1, 1921. Accordingly, the Department of State sent instructions on Wednesday, March 22, to the American diplomatic representatives to deliver an identic supplementary note to the Governments of Belgium, Great Britain, France, Italy and Japan.

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*Made public March 22, 1922

SPECIAL MESSAGE TO CONGRESS

[Celebration of One Hundred and Fiftieth Anniversary of Declaration of Independence.]

THE WHITE HOUSE, *March 24, 1922.*

To the Senate and House of Representatives:

It seems appropriate to call the attention of the Congress to the fact that the 4th day of July, 1926, will mark the one hundred and fiftieth anniversary of the Declaration of Independence, and the beginning of our separate national existence. I am sure the Congress will agree that such an epochal event, which has meant so much to our own Republic, and has provided such a stimulating example to liberty-loving peoples throughout the world, should have fitting commemoration.

The Declaration of Independence was written and signed in Philadelphia. In that city also the Constitution of the United States was framed. So that fine and characteristically American city may claim honors as the birthplace of the Nation and also of its permanent governmental institutions.

Because of these things the centennial anniversary of the Declaration of Independence was signalized by a World Exposition in Philadelphia in 1876. Mindful of the success of that enterprise, and of its helpful influences, a movement was recently initiated by the mayor of that city, which is already cordially supported by an organization of its representative citizenship, to celebrate the sesquicentennial anniversary by holding "an exhibition of the progress of the United States in art, science, and industry, in trade and commerce, and in the development of the products of the air, the soil, the mine, the forest, and the seas; to which exhibition the people of all other nations will be invited to contribute evidences of their own progress, to the end that better international understanding and more intimate commercial relationships may hasten the coming of universal peace."

I am advised that it is proposed to hold this exhibition on a scale of impressive grandeur commensurate with the occasion to be celebrated, and the position of eminence in world progress which our nation has come to occupy. The city of Philadelphia has pledged an appropriation of $5,000,000, and the State of Pennsylvania has taken suitable action to provide for the generous participation of the Commonwealth, and the request now comes to the federal Government to signify its approval so that the participation and cooperation of the nations properly may be invited.

There is every assurance that necessary additional funds for the general expenses of construction and operation will be assured by the public-spirited citizens of Philadelphia through the Sesquicentennial Exhibition Association, which is now organized and heartily committed to the task of making the occasion in every way worthy of the great event it will celebrate.

I believe the proposed celebration worthy of the indorsement of the Congress, and I recommend, therefore, the enactment of a suitable measure fixing the year 1926 as the time for commemorating the sesquicentennial of the Declaration of Independence, and designating the city of Philadelphia as the place for the official ceremony, and for holding an international exposition in which all the nations may be asked to participate. Such a sanction will not only challenge the attention of our own people to the patriotic and ennobling deeds of the American founders, and lead them to survey anew the basic landmarks of our history, but it will contribute materially to the growing spirit of amity among the peoples of the earth and to the fuller realization that the progress of mankind is shared by all nations. It will emphasize the advantages of peaceful and friendly intercourse and remind all mankind that its greater achievements are along the ways of peace. Finally, and this I would especially emphasize, it will fittingly signalize a new era in which men are putting aside the competitive instruments of destruction and replacing them with the agencies of constructive peace.

All races and nations have contributed generously to bring civilization thus far on the way to realization of the human commonwealth. Each has contributed of its especial genius to the common progress; each owes to every other a debt which can not too often be acknowledged. This is the one debt which men may go on forever increasing, with assurance that it will impose no burdens, but only add to their prosperity and good fortune. We can not doubt that the great international expositions heretofore held have done much to bring to all mankind a feeling of unity in aspiration and of community in effort. Nor can we question, I think, that in this era of larger cooperation and unprecedented eagerness for helpful understandings there is peculiar reason for emphasizing the thought of mutual support in all the enterprises which promise further advance toward the goal of universal good.

So it seems wholly fitting that this occasion should receive suitable sanction by the Congress, that the lessons of American development and progress may be emphasized at home, and a new spirit of American sympathy and cooperation signalized to all the nations. In inviting display of evidence of the progress and achievements of other peoples, we will further inspire our own endeavors, and prove our interest in the accomplishments of all who contribute to human advancement, wherever they may be.

In connection herewith I am inclosing copies of a chronology of the sesquicentennial project, together with a copy of the resolution passed by the city council and approved by the mayor of Philadelphia on the 1st day of February, 1922. WARREN G. HARDING.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION

[Forest Protection Week and Golden Anniversary of Arbor Day.]

Whereas, the protection and perpetuation of our forests are vital to our continued industrial welfare and national strength, and to our individual health, comfort, and prosperity, and

Whereas, a period of fifty years has passed since, in April, 1872, there was instituted in the State of Nebraska observance of a day especially set apart and consecrated for tree planting, and known as Arbor Day, and

Whereas, both through widespread annual celebration of Arbor Day and through the increasing observance of Forest Protection Week public attention has been commendably directed to the value of trees, the unnecessary waste of our diminishing forests through preventable fires, the deplorable effects of forest devastation, and the need for remedial measures against depletion of an essential natural resource:

Therefore, I, Warren G. Harding, President of the United States, do urge upon the Governors of the various States to designate and set apart the week of April 16-22, 1922, as Forest Protection Week, and the last day of that week, April 22, as the Golden Anniversary of Arbor Day, and to request officers of public instruction, of counties, cities and towns, and of civic and commercial organizations to unite in thought and action for the preservation of our common heritage by planning such educational and instructive exercises as shall bring before the people the disastrous effects of the present waste by forest fires, and the need of individual and collective effort to conserve the forests and increase our tree growth for ornament and use.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this 31st day of March in the year of our Lord one thousand nine hundred and twenty-two, and [SEAL.] of the independence of the United States of America the one hundred and forty-sixth. WARREN G. HARDING.

By the President:

CHARLES E. HUGHES, *Secretary of State.*

EXECUTIVE ORDER

[Removing and Replacing Certain Officers of the Bureau of Engraving and Printing.]

THE WHITE HOUSE, *March 31, 1922.*

On and after this date the Director of the Bureau of Engraving and Printing, James L. Wilmeth, and the Assistant Director, James M. Fisher, are removed. Louis A. Hill is hereby appointed to be Director, and John P. Perry to be Assistant Director. This action is taken for the good of the service.

The following named offices in the Bureau of Engraving and Printing are hereby abolished, and the present incumbents of these offices are dismissed for the good of the service: (Exception is made of those who are eligible for retirement for age. Such persons shall be placed on the retired list, as of this date). viz:—

All offices of Chief of Division; All offices of Assistant Chief of Division; The office of Custodian of Dies, Rolls and Plates; The office of Chief Clerk; The office of Experimental Engineer; The office of Mechanical Expert and Designer; The office of Superintendent of Work; The office of Superintendent of Picture Engravers; The office of Superintendent of Transfers; The office of Superintendent of Photo-litho. Section; The office of Superintendent of Electrolytic Section; The office of Foreman of Building and Cleaners; The office of Foreman of Garage; The office of Foreman of Plate Cleaners; The office of Storekeeper.

In lieu of the above offices the following offices are hereby established:

All offices heretofore known as Chief of Division and Assistant Chief of Division shall hereafter be designated Superintendent of Division and Assistant Superintendent of Division, respectively; the office heretofore known as Custodian of Dies, Rolls and Plates shall be designated Superintendent of Plate Vault; the office heretofore known as Chief Clerk shall be designated Chief Accountant; the office heretofore known as Foreman of Building and Cleaners shall be designated Superintendent of the Building; the office heretofore known as Foreman of Garage shall be designated Assistant Superintendent of the Building; the office heretofore known as Foreman of Plate Cleaners shall be designated Technical Foreman of Plate Cleaners and the office heretofore known as Storekeeper shall be designated Custodian of Supplies.

All vacancies created by the above described plan of reorganization shall be filled by the Director of the Bureau.

WARREN G. HARDING.

STATE DEPARTMENT NOTE

[Declining Invitation to Participate in the International Conference at The Hague upon the Problem of Russia.]

Made public, *May 15, 1922.*

This Government has carefully considered the invitation extended to it by the President of the Genoa Conference, under the conditions set forth in the agreement of the inviting Powers, to join the proposed commission to meet at The Hague on June 15th. This Government is most desirous to aid in every practicable way the consideration of the economic exigencies in Russia and wishes again to express the deep friendship felt by the people of the United States for the people of Russia and their keen interest in all proceedings looking to the recovery of their economic life and the return of the prosperity to which their capacities and resources entitle them. The American people have given the most tangible evidence of their unselfish interest in the economic recuperation of Russia, and this Government would be most reluctant to abstain from any opportunity of helpfulness.

This Government, however, is unable to conclude that it can helpfully participate in the meeting at The Hague as this would appear to be a continuance under a different nomenclature of the Genoa Conference and destined to encounter the same difficulties if the attitude disclosed in the Russian memorandum of May 11th remains unchanged.

The inescapable and ultimate question would appear to be the restoration of productivity in Russia, the essential conditions of which are still to be secured and must in the nature of things be provided within Russia herself.

While this Government has believed that these conditions are reasonably clear, it has always been ready to join with the Governments extending the present invitation in arranging for an inquiry by experts into the economic situation in Russia and the necessary remedies. Such an inquiry would appropriately deal with the economic prerequisites of that restoration of production in Russia without which there would appear to be lacking any sound basis for credits. It should be added that this Government is most willing to give serious attention to any proposals issuing from the Genoa Conference or any later conference, but it regards the present suggestions, in apparent response to the Russian Memorandum of May eleventh, as lacking, in view of the terms of that Memorandum, in the definiteness which would make possible the concurrence of this Government in the proposed plan.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION

[Copyright—Germany, Austria, Hungary, Italy.]

Whereas it is provided by the Act of Congress, approved March 4, 1909, entitled "An Act to Amend and Consolidate the Acts Respecting Copyright," that the copyright secured by the Act except the benefits under Section 1 (e) thereof, as to which special conditions are imposed, shall extend to the work of an author or proprietor who is a citizen or subject of a foreign state or nation, only upon certain conditions set forth in Section 8 of said Act, to wit:

(a) When an alien author or proprietor shall be domiciled within the United States at the time of the first publication of his work; or

(b) When the foreign state or nation of which such author or proprietor is a citizen or subject grants, either by treaty, convention, agreement, or law, to citizens of the United States the benefit of copyright on substantially the same basis as to its own citizens, or copyright protection substantially equal to the protection secured to such foreign author under this Act or by treaty; or when such foreign state or nation is a party to an international agreement which provides for reciprocity in the granting of copyright, by the terms of which agreement the United States may, at its pleasure, become a party thereto:

And whereas it is further provided by the Act of Congress approved December 18, 1919, entitled "An Act to amend Sections 8 and 21 of the Copyright Act, approved March 4, 1909," "that all works made the subject of copyright by the laws of the United States first produced or published abroad after August 1, 1914, and before the date of the President's proclamation of peace, of which the authors or proprietors are citizens or subjects of any foreign state or nation granting similar protection for works by citizens of the United States, the existence of which shall be determined by a copyright proclamation issued by the President of the United States, shall be entitled to the protection conferred by the copyright laws of the United States from and after the accomplishment, before the expiration of fifteen months after the date of the President's proclamation of peace, of the conditions and formalities prescribed with respect to such works by the copyright laws of the United States: Provided further, That nothing herein contained shall be construed to deprive any person of any right which he may have acquired by the republication of such foreign work in the United States prior to the approval of this Act."

And whereas the President is authorized to determine and declare by proclamation made from time to time the existence of the reciprocal conditions aforesaid, as the purposes of the Act may require;

And whereas the President by proclamation dated April 9, 1910, did declare and proclaim that one of the alternative conditions specified in Section 8 of the Act of March 4, 1909, was then and from July 1, 1909, had been fulfilled in respect to the subjects of Germany and that the subjects of Germany were and since July 1, 1909, had been entitled to all the benefits of the said Act other than the benefits of Section 1 (e) thereof;

And whereas the President by proclamation dated December 8, 1910, did declare and proclaim that satisfactory official assurance having been received that in Germany the law permitted to citizens of the United States rights similar to those accorded in Section 1 (e) of the Act of March 4, 1909, the subjects of the German Empire were entitled to all the benefits of Section 1 (e) of the said Act of March 4, 1909;

And whereas satisfactory official assurances have been received from the Government of Germany that by the laws of Germany protection is granted for works by citizens of the United States similar to the protection provided by the Act, approved December 18, 1919;

Now therefore, I, Warren G. Harding, President of the United States of America, do hereby declare and proclaim

1. That the conditions specified in the Act of December 18, 1919, now exist and are fulfilled in respect to the citizens of Germany and that German citizens are entitled to all the benefits of the said Copyright Act, approved December 18, 1919.

Provided that the enjoyment by any work to which the provisions of this proclamation relate of the rights and benefits conferred by the Copyright Act, approved December 18, 1919, shall be conditional upon compliance with the requirements and formalities prescribed with respect to such works by the copyright laws of the United States, and shall commence from and after compliance with those requirements, constituting due registration for copyright in the United States.

2. Nothing in this proclamation shall be construed to abrogate or limit any rights and benefits conferred under the reciprocal arrangements with Germany providing for copyright protection heretofore proclaimed.

In witness whereof, I have hereunto set my hand and caused the Seal of the United States to be affixed.

Done at the City of Washington this twenty-fifth day of May, in the year of our Lord one thousand nine hundred and twenty-two [SEAL.] and of the Independence of the United States of America the one hundred and forty-sixth.

WARREN G. HARDING.

By the President:

CHARLES E. HUGHES, *Secretary of State*.

[On the same day, a similar proclamation was issued applying to Austria, and on June 3, 1922, two others applying to Italy and Hungary. The latter omitted the second section after "do hereby declare and proclaim."]

ADDRESS

[Dedication of the Lincoln Memorial, Washington, D. C., May 30, 1922.]

Mr. Chief Justice:

It is a supreme satisfaction officially to accept on behalf of the Government this superb monument to the savior of the republic. No official duty could be more welcome, no official function more pleasing. This memorial edifice is a noble tribute, gratefully bestowed, and in its offering is the reverent heart of America; in its dedication is the consciousness of reverence and gratitude beautifully expressed.

Somehow my emotions incline me to speak simply as a reverent and grateful American rather than one in official responsibility. I am thus inclined because the true measure of Lincoln is in his place today in the heart of American citizenship, though more than half a century has passed since his colossal service and his martyrdom. In every moment of peril, in every hour of discouragement, whenever the clouds gather, there is the image of Lincoln to rivet our hopes and to renew our faith. Whenever there is a glow of triumph over national achievement, there comes the reminder that but for Lincoln's heroic and unalterable faith in the Union, these triumphs could not have been.

No great character in all history has been more eulogized, no towering figure more monumented, no likeness more portrayed. Painters and sculptors portray as they see, and no two see precisely alike. So, too, is there varied emphasis in the portraiture of words; but all are agreed about the rugged greatness, the surpassing tenderness, the unfailing wisdom of this master martyr.

History is concerned with the things accomplished. Biography deals with the methods and the individual attributes which led to accomplishment.

The supreme chapter in history is not emancipation, though that achievement would have exalted Lincoln throughout all the ages. The simple truth is that Lincoln, recognizing an established order, would have compromised with the slavery that existed, if he could have halted its extension. Hating human slavery as he did, he doubtless believed in its ultimate abolition through the developing conscience of the American people, but he would have been the last man in the republic to resort to arms to effect its abolition. Emancipation was a means to the great end—maintained union and nationality. Here was the great purpose, here the towering hope, here the supreme faith. He treasured the inheritance handed down by the founding fathers, the ark of the covenant wrought through their heroic sacrifices, and builded in their inspired genius. The union must be preserved. It was the central thought, the unalterable purpose, the unyielding intent, the foundation of faith. It was worth every sacrifice, justified every cost, steeled the heart to sanction every crimsoned tide of blood. Here was the great experiment—popular government and constitutional union—menaced by greed expressed in human chattels. With the greed restricted and unthreatened, he could temporize. When it challenged federal authority and threatened the union, it pronounced its own doom. In the first inaugural, he quoted and reiterated his own oft-repeated utterance—"I have no purpose, directly or indirectly, to interfere with the institution of slavery in the states where it exists. I believe I have no lawful right to do so, and I have no inclination to do so." He believed in maintaining inviolate the rights of the states, but he believed no less firmly in the perpetuity of the union of the states. The union, having been contracted, could not be dissolved except by consent of all parties to the contract. He recognized the conflicting viewpoints, differing policies and controverted questions. But there were constitutional methods of settlement, and these must be employed.

In the first inaugural address he stressed the great general principle that

> "in our constitutional controversies we divide into majorities and minorities. If the minority will not acquiesce, the majority must, or the Government must cease. There is no other alternative, for continuing the Government is acquiescence on one side or the other. If the minority in such case will secede rather than acquiesce, they make a precedent which in turn will divide and ruin them. * * * Plainly the central idea of secession is the essence of anarchy. A majority held in restraint by constitutional checks and limitations, and always changing easily with deliberate changes of popular opinions and sentiments, is the only true sovereign of a free people. Whoever rejects it does, of necessity, fly to anarchy or despotism."

Here spoke the statesman, proclaiming deliberate public opinion as the supreme power of civilization, easily to be written into law when conviction should command. It ought to be tonic to the waning confidence of those of today who grow impatient that emphasized minority views are not hurried into the majority expressions of the republic. Deliberate public opinion never fails.

Later, closing his first inaugural, when anxiety gripped the nation, there spoke the generous, forgiving, sympathetic man of undaunted faith:

> "I am loath to close. We are not enemies, but friends. We must not be enemies. Though passion may have strained, it must not break our bonds of affection. The mystic chords of memory, stretching from every battlefield and patriot grave, to every living heart and hearthstone, all over this broad land, will yet swell the chorus of the union, when again touched, as they surely will be, by the better angels of our nature."

But he appealed in vain. Passion was aflame and war was made the arbiter. Americans fought Americans with equal courage and valor. There was an ambiguity in the constitution, which only a baptism in blood could efface. One may only speculate on what another might have done, but Fate seems to have summoned the one great hero best fitted to lead to the union's salvation.

His faith was inspiring, his resolution commanding, his sympathy reassuring, his simplicity enlisting, his patience unfailing. He was Faith, Patience and Courage, with his head above the clouds, unmoved by the storms which raged about his feet.

No leader was ever more unsparingly criticized or more bitterly assailed. He was lashed by angry tongues and ridiculed in press and speech until he drank from as bitter a cup as was ever put to human lips, but his faith was unshaken and his patience never exhausted. Some one sent me recently an illumined and framed quotation which fell from his lips when the storm of criticism was at its height:

> "If I were trying to read," he said, "much less answer all the attacks made on me, this shop might as well be closed for any other business. I do the best I know how, the very best I can; and I mean to keep on doing it to the end. If the end brings me out all right, what is said against me will not amount to anything. If the end brings me out all wrong, ten angels swearing I was right would make no difference."

He knew, of course, before the assassin robbed him of fuller realization, that the end was bringing him out all right. He knew when swords were sheathed and guns laid down, that the union he saved was riveted anew and made forever indissoluble. He knew that in the great crucible of fire and blood the dross had been burned from the misdirected patriotism of seceding states and the pure gold restored to shining stars in dear Old Glory again. He knew he had freed a race of bondmen and had given to the world the costly proof of the perpetuity of the American union. But I cannot restrain the wish that he might somehow know of the monuments to his memory throughout the world, and that we are dedicating today, on behalf of a grateful nation, this matchless memorial, whose forty-eight columns, representing forty-eight states in the concord of union, testify that the "end brought him out all right".

Reflecting now on the lampooning and heedless attack and unjustifiable abuse which bruised his heart and tested his patience, we may accept its expression as one of the abused privileges under popular government, when passion sways and bitterness inspires, but for which there is compensation in the assurance that when men have their feet firmly planted in the right, and do the very best they can and "keep on doing it", they come out all right in the end, and all the storm does not amount to anything.

He rose to colossal stature in a day of imperiled union. He first appealed, and then commanded, and left the union secure and the nation supreme. His was a leadership for a great crisis, made loftier because of the inherent righteousness of his cause and the sublimity of his own faith. Washington inspired belief in the republic in its heroic beginning, Lincoln proved its quality in the heroic preservation. The Old World had wondered about the New-World experiment, and was quite ready to proclaim its futility when the civil war was threatening; but Lincoln left the union unchallenged for all succeeding time. Not only was our nation given a new birth of freedom, but democracy was given a new sanction by that hand of divinity itself which has written the rights of humankind and pointed the way to their enjoyment.

Abraham Lincoln was no superman. Like the great Washington, whose monumental shaft towers nearby as a fit companion to the memorial we dedicate today, the two testifying the grateful love of all Americans to founder and savior—like Washington, Lincoln was a very natural human being, with the frailties mixed with the virtues of humanity. There are neither supermen nor demi-gods in the government of kingdoms, empires, or republics. It will be better for our conception of government and its institutions if we will understand this fact. It is vastly greater than finding the superman if we justify the confidence that our institutions are capable of bringing into authority, in time of stress, men big enough and strong enough to meet all demands.

Washington and Lincoln offered outstanding proof that a representative popular government, constitutionally founded, can find its own way to salvation and accomplishment. In the very beginning our American democracy turned to Washington, the aristocrat, for leadership in revolution, and the greater task of founding permanent institutions. The wisdom of Washington and Jefferson and Hamilton and Franklin was proven when Lincoln, the child of privation, of hardship, of barren environment and meager opportunity, rose to unquestioned leadership when disunion threatened.

Lincoln came almost as humbly as The Child of Bethlehem. His parents were unlettered, his home was devoid of every element of culture and refinement. He was no infant prodigy, no luxury facilitated or privilege hastened his development, but he had a God-given intellect, a love for work, a willingness to labor and a purpose to succeed.

Biographies differ about his ambition, but Herndon, who knew him as did no other, says he was greatly ambitious. I can believe that. Ambition is a commendable attribute, without which no man succeeds. Only inconsiderate ambition imperils.

Lincoln was modest, but he was sure of himself, and always greatly simple. Therein was his appeal to the confidence of his country. When he believed he was right a nation believed him to be right, and offered all in his support.

His work was so colossal, in the face of such discouragement, that none will dispute that he was incomparably the greatest of our presidents. He came to authority when the republic was beset by foes at home and abroad, and reestablished union and security. He made that gesture of his surpassing generosity which began reunion. Let us forget the treachery, corruption, and incompetence with which he had to combat, and recall his wisdom, his unselfishness, his sublime patience. He resented no calumnies upon himself; he held no man his enemy who had the power and will to serve the union, his vision was blinded by no jealousy. He took his advisers from among his rivals, invoked their patriotism and ignored their plottings. He dominated them by the sheer greatness of his intellect, the singleness and honesty of his purpose, and made them responsive to his hand for the accomplishment of the exalted purpose. Amid it all there was a gentleness, a kindness, a sympathetic sorrow, which suggest a divine intent to blend mercy with power in supreme attainment.

This memorial, matchless tribute that it is, is less for Abraham Lincoln than for those of us today, and for those who follow after. His surpassing compensation would have been in living, to have his ten thousand sorrows dissipated in the rejoicings of the succeeding half century. He loved "his boys" in the army, and would have reveled in the great part they played in more than a half century of the pursuit of peace, and concord restored. How he would have been exalted by the chorus of the union after "the mystic chords" were "touched by the better angels of our nature"! How it would comfort his great soul to know that the states in the Southland join sincerely in honoring him, and have twice, since his day, joined, with all the fervor of his own great heart, in defending the flag! How it would soften his anguish to know that the South long since came to realize that a vain assassin robbed it of its most sincere and potent friend when it was prostrate and stricken, when Lincoln's sympathy and understanding would have helped to heal the wounds and hide the scars and speed the restoration! How with his love of freedom and justice, this apostle of humanity would have found his sorrows tenfold repaid to see the hundred millions to whom he bequeathed reunion and nationality, giving of their sons and daughters and all their fortunes to halt the armed march of autocracy and preserve civilization, even as he preserved the union!

More, how his great American heart would be aglow to note how resolutely we are going on, always on, holding to constitutional methods, amending to meet the requirements of a progressive civilization, clinging to majority rule, properly restrained, which is "the only true sovereign of a free people," and working to the fulfillment of the destiny of the world's greatest republic!

Fifty-seven years ago this people gave from their ranks, sprung from their own fiber, this plain man, holding their common ideals. They gave him first to service of the nation in the hour of peril, then to their pantheon of fame. With them and by them he is enshrined and exalted forever.

Today American gratitude, love and appreciation, give to Abraham Lincoln this lone white temple, a pantheon for him alone.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA

A PROCLAMATION

[Interference With Interstate Transportation and the Carrying of the United States Mails.]

Whereas, the United States Railroad Labor Board is an agency of the government, created by law, and charged with the duty of adjusting disputes between railroad operators and employees engaged in interstate commerce; and

Whereas, the United States Railroad Labor Board has recently handed down decisions, one affecting the wage of the shop craft employees, the other declaring the contract system of shop craft work with outside agencies to be contrary to the intent of the transportation act and, therefore, that such practice must be discontinued; and

Whereas, the shop craft employees have elected to discontinue their work, rather than abide by the decision rendered, and certain operators have ignored the decision ordering the abandonment of the contract shop practice; and

Whereas, the maintained operation of the railways in interstate commerce and the transportation of United States mails have necessitated the employment of men who choose to accept employment under the terms of the decision, and who have the same indisputable right to work that others have to decline to work; and

Whereas, the peaceful settlement of controversies in accordance with law and due respect for the established agencies of such settlement are essential to the security and well-being of our people;

Now, therefore, I, Warren G. Harding, President of the United States, do hereby make proclamation, directing all persons to refrain from all interference with the lawful efforts to maintain interstate transportation and the carrying of the United States mails.

These activities and the maintained supremacy of the law are the first obligation of the government and all the citizenship of our country. Therefore, I invite the cooperation of all public authorities, state and municipal, and the aid of all good citizens to uphold the laws and to preserve the public peace, and to facilitate those operations in safety which are essential to life and liberty, and the security of property and our common public welfare.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington, this 11th day of July, in the year of our Lord one thousand nine hundred and twenty-two, and [SEAL.] of the Independence of the United States the one hundred and forty-seventh. WARREN G. HARDING.

By the President:

CHARLES E. HUGHES, *Secretary of State*.

STATE DEPARTMENT STATEMENT

[Accompanying Announcement of Recognition of Esthonia, Latvia and Lithuania.]

July 27, 1922.

The Governments of Esthonia, Latvia and Lithuania have been recognized either *de jure* or *de facto* by the principal Governments of Europe and have entered into treaty relations with their neighbors.

In extending to them recognition on its part, the Government of the United States takes cognizance of the actual existence of these Governments during a considerable period of time and of the successful maintenance within their borders of political and economic stability.

The United States has consistently maintained that the disturbed condition of Russian affairs may not be made the occasion for the alienation of Russian territory, and this principle is not deemed to be infringed by the recognition at this time of the Governments of Esthonia, Latvia and Lithuania, which have been set up and maintained by an indigenous population.

EXECUTIVE ORDERS

[Civil Service Preference to War Veterans.]

THE WHITE HOUSE, *August 1, 1922.*

The executive order of October 14, 1921, granting certain preference in connection with presidential postmaster examinations to persons who served in the World War, is hereby amended to extend the same preference to honorably discharged veterans of the Spanish-American War. WARREN G. HARDING.

[Interdepartmental Patents Board.]

THE WHITE HOUSE, *August 9, 1922.*

Whereas, the Honorable Albert B. Fall, Secretary of the Interior, on July 18, 1921, called a conference of representatives of the various

Departments and Bureaus of the Government to consider the subject of inventions and patents of government employees; and

Whereas, growing out of that conference two committees were appointed, one to formulate a governmental policy with respect to handling the patents and inventions of government employees, and the other to propose a plan for dissemination of information among the several departments concerning all government-acquired patents and licenses and rights under patents; and

Whereas, the said committees have submitted final reports which have been accepted by the conference, and it has thereby been made manifest that an urgent necessity exists for a permanent governmental agency to operate in establishing and maintaining a definite policy with respect to the handling of inventions and patents evolved in the government service;

Now, therefore, I, Warren G. Harding, hereby create and establish an Interdepartmental Patents Board whose duty it shall be to recommend through the Secretary of the Interior, for my approval, suitable regulations establishing the policy to be followed by the Government with respect to handling inventions and patents evolved by government employees and other inventions and patents acquired by the Government, to put in practice such proposed regulations thereto appertaining, approved by me, and to disseminate proper information among the departments and other units of the Government concerning patents, applications for patents, licenses and other rights under patents owned by the Government; and I hereby detail from the government service the following as members of said Interdepartmental Patents Board:

Mr. Harry E. Knight, Department of Justice; Dr. R. C. Tolman, Department of Agriculture; Dr. S. W. Stratton, Department of Commerce; Lt. Col. Jos. I. McMullen, War Department; Dr. Andrew Stewart, Department of the Interior.

The said board shall choose its chairman and secretary and from time to time shall fill, from the government service, subject to my approval, such vacancies as may occur in its membership. No department or separate governmental unit shall have more than one representative on said board. WARREN G. HARDING.

AGREEMENT WITH GERMANY ON CLAIMS

The United States of America and Germany, being desirous of determining the amount to be paid by Germany in satisfaction of Germany's financial obligations under the treaty concluded by the two Governments on August 25, 1921, which secures to the United States and its nationals rights specified under a resolution of the Congress of the United States of July 2, 1921, including rights under the Treaty of Versailles, have resolved to submit the questions for decision to a mixed commission and have appointed as their plenipotentiaries for the purpose of concluding the following agreement:

The President of the United States of America: ALANSON B. HOUGHTON, Ambassador Extraordinary and Plenipotentiary of the United States of America to Germany, and the President of the German Empire: DR. WIRTH, Chancellor of the German Empire,

Who, having communicated their full powers, found to be in good and due form, have agreed as follows:

ARTICLE I. The commission shall pass upon the following categories of claims which are more particularly defined in the Treaty of August 25, 1921, and in the Treaty of Versailles:

(1) Claims of American citizens, arising since July 31, 1914, in respect of damage to, or seizure of, their property, rights and interests, including any company or association in which they are interested, within German territory as it existed on August 1, 1914;

(2) Other claims for loss or damage to which the United States or its nationals have been subjected with respect to injuries to persons, or to property, rights and interests, including any company or association in which American nationals are interested, since July 31, 1914, as a consequence of the war;

(3) Debts owing to American citizens by the German Government or by German nationals.

ARTICLE II. The Government of the United States and the Government of Germany shall each appoint one commissioner. The two Governments shall by agreement select an umpire to decide upon any cases concerning which the commissioners may disagree, or upon any points of difference that may arise in the course of their proceedings. Should the umpire or any of the commissioners die or retire, or be unable for any reason to discharge his functions, the same procedure shall be followed for filling the vacancy as was followed in appointing him.

ARTICLE III. The commissioners shall meet at Washington within two months after the coming into force of the present agreement. They may fix the time and the place of their subsequent meetings according to convenience.

ARTICLE IV. The commissioners shall keep an accurate record of the questions and cases submitted and correct minutes of their proceedings. To this end each of the Governments may appoint a secretary, and these secretaries shall act together as joint secretaries of the commission and shall be subject to its direction.

The commission may also appoint and employ any other necessary officer or officers to assist in the performance of its duties. The compensation to be paid to any such officer or officers shall be subject to the approval of the two Governments.

ARTICLE V. Each Government shall pay its own expenses, including compensation of its own commissioner, agent or counsel. All other expenses which by their nature are a charge on both Governments, including the honorarium of the umpire, shall be borne by the two Governments in equal moieties.

ARTICLE VI. The two Governments may designate agents and counsel who may present oral or written arguments to the commission.

The commission shall receive and consider all written statements or documents which may be presented to it by or on behalf of the respective Governments in support of or in answer to any claim.

The decisions of the commission and those of the umpire (in case there may be any) shall be accepted as final and binding upon the two Governments.

ARTICLE VII. The present agreement shall come into force on the date of its signature.

In faith whereof, the above named plenipotentiaries have signed the present agreement and have hereunto affixed their seals.

Done in duplicate at Berlin this tenth day of August, 1922.

[SEAL.] ALANSON B. HOUGHTON.
[SEAL.] WIRTH.

EXCHANGE OF NOTES ON ABOVE AGREEMENT

[TRANSLATION]

BERLIN, *August 10, 1922.*

Mr. Ambassador:

In reply to your kind note of June 23, 1922, I have the honor to state to your Excellency as follows:

The German Government is in agreement with the draft of an agreement communicated to it in the note mentioned, now that some changes in the text have been agreed upon with your Excellency. I have the honor to transmit herewith the draft modified accordingly.

From the numerous conferences which have taken place with your Excellency, the German Government believes itself justified in assuming that it is not the intention of the American Government to insist in the proceedings of the Commission upon all the claims contemplated in the Versailles Treaty without exception, that it in particular does not intend to raise claims such as those included in Paragraphs 5 to 7 of Annex 1 of Article 244 of the Versailles Treaty (claims for reimbursement of military pensions paid by the American Government, and of allowances paid to American prisoners of war or their families and to the families of persons mobilised) or indeed claims going beyond the treaty of August 25, 1921.

The German Government would be grateful if your Excellency would confirm the correctness of this assumption.

In the view of the German Government it would furthermore be in the interest of both Governments concerned that the work of the Commission be carried out as quickly as possible. In order to insure this it might be expedient to fix a period for the reporting of the claims to be considered by the Commission. The German Government, therefore, proposes that the Commission should consider only such claims as are brought before it within at least six months after its first meeting as provided in Article III of the above-named agreement.

I should be obliged to your Excellency for a statement as to whether the American Government is in agreement herewith.

At the same time I take advantage of this occasion to renew to you, Mr. Ambassador, the assurance of my most distinguished consideration.

WIRTH.

AMERICAN EMBASSY, *Berlin, August 10, 1922.*

Mr. Chancellor:

I have the honor to acknowledge the receipt of your note of today's date transmitting the draft of the agreement enclosed to you in my note of June 23, as modified as a result of the negotiations that have been carried on between us.

In accordance with the instructions that I have received from my Government, I am authorized by the President to state that he has no intention of pressing against Germany or of presenting to the Commission established under the claims agreement any claims not covered by the treaty of August 25, 1921, or any claims falling within Paragraphs 5 to 7, inclusive, of the annex following Article 244 of the Treaty of Versailles.

With regard to your suggestion that the Commission shall only consider such claims as are presented to it within six months after its first meeting, as provided for in Article III, I have the honor to inform you that I am now in receipt of instructions from my Government to the effect that it agrees that notices of all claims to be presented to the Commission must be filed within the period of six months as above stated.

I avail myself once more of the opportunity to renew to you, Mr. Chancellor, the assurances of my most distinguished consideration.

A. B. HOUGHTON.

LETTER

[Flexibility in Tariff Schedules.]

THE WHITE HOUSE, *August 11, 1922.*

My dear Senator McCumber:

I need not repeat to you what I have said personally and what I have conveyed officially in a message to Congress, how deeply I am interested in the provision for flexibility in the tariff bill which is now under consideration in the Senate. It has seemed to me that the varying conditions in the world and the unusual conditions following the World War make it extremely essential that we have this means of adapting our tariffs to meet the new conditions. Moreover, I believe it is a highly constructive and progressive step in retaining the good and eliminating the abuses which grow up under our tariff system. I think we ought to make the tariff question all that it is designed to be—the agency for scientific investigation and the source of dependable information on all tariff problems.

In view of the fact that Congress, in providing for flexibility, must bestow some exceptional powers upon the President, I should very much prefer that in the same act the Congress definitely name the tariff board as the source of information and recommendation upon which the President may proclaim changes in rates of duty. If the power to modify rates were given to the President I should immediately proclaim the tariff board as the agency of investigation and recommendation, because the President could not deal with the situation in any other practical manner. I think it more seemly, therefore, to have the Congress definitely designate the tariff board as the agency to be employed by the President in the exercise of executive power which it is proposed to bestow.

Very truly yours,

WARREN G. HARDING.

ADDRESS TO CONGRESS, AUGUST 18, 1922

[Railroad and Coal Strikes.]

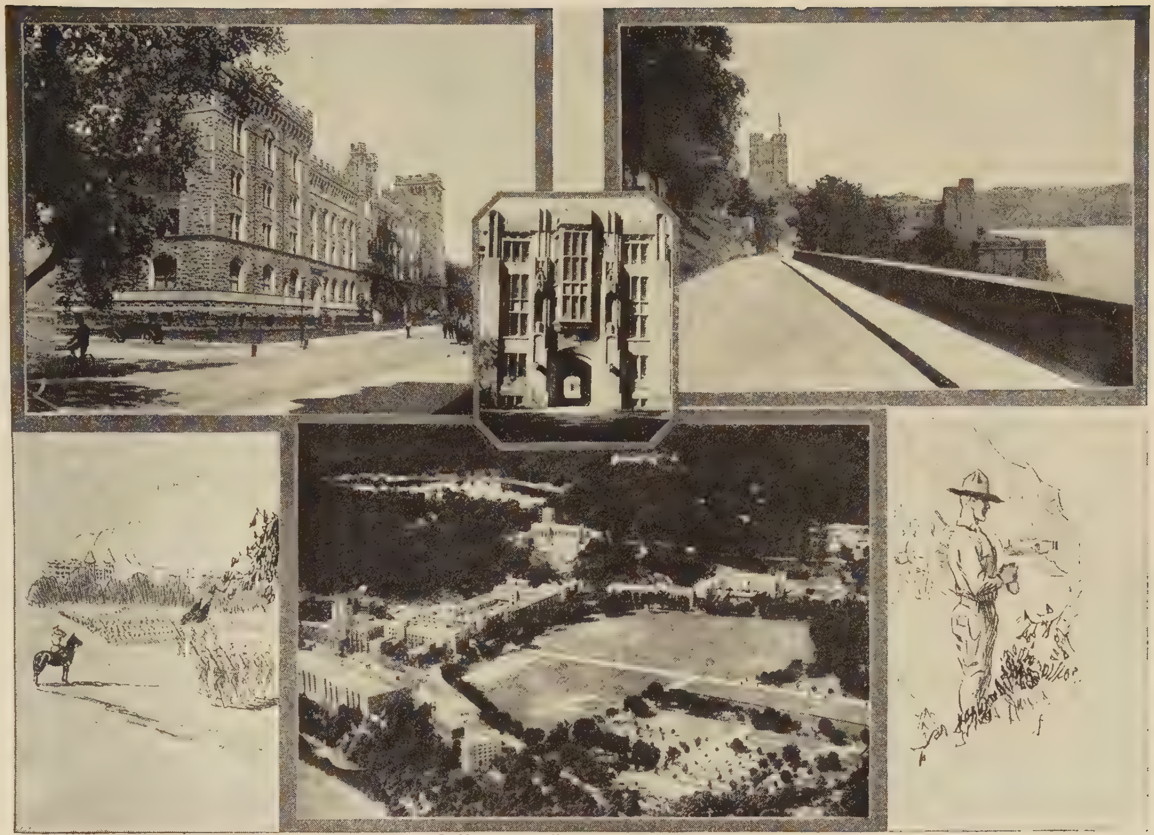
GENTLEMEN OF THE CONGRESS:

It is manifestly my duty to bring to your attention the industrial situation which confronts the country. The situation growing out of the prevailing railway and coal-mining strikes is so serious, so menacing to the nation's welfare, that I should be remiss if I failed frankly to lay the matter before you and at the same time acquaint you and the whole people with such efforts as the executive branch of the Government has made by the voluntary exercise of its good offices to effect a settlement.

The suspension of the coal industry dates back to last April 1, when the working agreement between mine operators and the United Mine Workers came to an end. Anticipating that expiration of contract, which was negotiated with the Government's sanction in 1920, the present administration sought, as early as last October, conferences between the operators and miners in order to facilitate either a new or extended agreement in order to avoid any suspension of production when April 1 arrived. At that time the mine workers declined to confer, though the operators were agreeable, the mine workers excusing their declination on the ground that the union officials could have no authority to negotiate until after their annual convention.

A short time prior to the expiration of the working agreement the mine workers invited a conference with the operators in the central competitive field, covering the states of Pennsylvania, Ohio, Indiana, and Illinois, and in spite of the union declination of the Government's informal suggestion for the conference, five months before, the Government, informally but sincerely, commended the conference, but it was declined by certain groups of operators, and the coal-mining controversy ended in the strike of April 1. It was instantly made nation-wide, so far as the organized mine workers could control, and included many districts in the bituminous field where there was neither grievance nor dispute, and effected a complete tie-up of the production in the anthracite field.

It is to be noted that when the suspension began large stocks of coal were on hand, mined at wages higher than those paid during the war, there was only the buying impelled by necessity, and there was a belief that coal must yield to the postwar readjustment. When the stocks on hand began to reach such diminution as to menace industry and hinder transportation, approximately June 1, overtures were initiated by the Government in the hope of expediting settlement. None of these availed. Individual and district tenders of settlement on the part of operators—in some instances appeals for settlement—were wholly unavailing. The dominant groups among the operators were insistent on having district agreements; the dominant mine workers were demanding a nation-wide settlement. The Government being without authority to enforce a strike settlement in



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VIEWS OF THE UNITED STATES MILITARY ACADEMY AT WEST POINT

MILITARY ACADEMY, WEST POINT.

It is interesting to compare these recent views of the institution in which the United States trains young men to be officers in its army, especially the panorama taken from an airplane flying over the Hudson River, with the view of West Point in 1840, opposite page 1617.

The story of the founding and development of the United States Military Academy is outlined in the Encyclopedic Index, under Military Academy. The article describes also the requirements for entrance and the course of instruction, and is followed by a list of references to discussions concerning the Military Academy by our Presidents. George Washington's recommendation for its establishment is to be found on page 194, and the Senate's reception of the idea, on page 197. The need for enlargement soon after its founding is discussed by President Madison on pages 471 and 551.

One of the greatest military leaders of the nineteenth century was Ulysses S. Grant. He was trained for army service at West Point, and it is hence all the more interesting to read his recommendations concerning the institution after he had become President. See page 4149.

the coal industry, could only volunteer its good offices in finding a way of adjustment.

Accordingly, a conference of the coal operators' associations and the general and district officials of the United Mine Workers was called, to meet in Washington on July 1. The designation of representation was left to the officials of the various organizations, and there was nation-wide representation, except from the nonunion fields of the country. Before the joint meeting I expressed the deep concern of the country and invited them to meet at a conference table and end the disputes between them. The conference did not develop even a hope. The operators were asking for their district or territorial conferences; the workers demanded national settlement on old bases. Appraising correctly the hopelessness of the situation, I again invited both operators and workers to meet with me, and tendered a means of settlement so justly inspired that it was difficult to see how anyone believing in industrial peace and justice to all concerned could decline it. In substance, it called on the operators to open their mines, on the mine workers to resume work at the same pay and under the same working conditions as prevailed at the time the strike began. In turn, the Government was to create at once a coal commission, or two of them, if preferred by all parties to the dispute, so that one could deal with the bituminous situation, the other with the problems in the anthracite field.

Among the commissioners were to be representatives of the operators, representatives of the mine workers, and outstanding, disinterested, and able representatives of the American public. The commission was to be instructed to direct its first inquiry to the rate of wage to be paid for the period ending next April 1, and then to enter upon a fact-finding inquiry into every phase of the industry, and point the way to avoid future suspensions in production. The disputants all indorsed the suggestion of a fact-finding commission. The anthracite operators promptly accepted the entire proposal. The mine workers refused to resume work under the arbitration plan. The majority of the bituminous operators filed an acceptance, but a considerable minority declined the proposal.

Under these circumstances, having no authority to demand compliance, the Government had no other course than to invite a resumption of production under the rights of all parties to the controversy, with assurance of Government protection of each and every one in his lawful pursuits. This fact was communicated to the governors of all coal-producing states, and with two exceptions assurances of maintained law and order were promptly given. In some instances concrete proof of effective readiness to protect all men, strikers and nonstriking workmen alike, was promptly given. But little or no new production followed. The simple but significant truth was revealed that, except for such coal as comes from the districts worked by nonorganized miners, the country is at the mercy of the United Mine Workers.

Governors in various states reported that their operators and miners had no dispute and were eager to resume production. District leaders informed me that their workmen were anxious to return to their jobs but that they were not permitted to do so. Hundreds of wives of workmen have addressed the White House, beseeching a settlement, alleging that they know no grievance, and there is an unending story of appeals for relief where necessity or suffering were impelling, where a mere expression of need ought to find ready compliance.

At every stage, the Government has been a just neutral regarding wage scales and working contracts. There are fundamental evils in our present system of producing and distribution which make the wage problem difficult. In the bituminous coal fields are vastly more miners than are requisite to the country's needs, and there are 200,000 more mine workers than are needed to produce in continuous employment the country's normal requirements. By continuous employment I mean approximately 280 working-days in the year. In many instances last year men were employed less than 150 days, in some cases much fewer than that. In the overmanned sections men divide the working time, and high wages are necessary to meet the cost of the barest living. Interrupted transportation, sorely broken employment, the failure to develop storage against enlarged demands and inadequate carrying—all these present problems bear on righteous wage adjustment and demand constructive solution.

Because of these things, because of the impressions of many cases of unjustifiable profits in the industry, and because public interest demands investigation, and demands the finding of facts be given to the public, I am asking at your hands the authority to create a commission to make a searching investigation into the whole coal industry, with provision for its lawful activities and the bestowal of authority to reveal every phase of coal production, sale, and distribution. I am speaking now on behalf of mine workers, mine operators, and the American public. It will bring protection to all and point the way to continuity of production and the better economic functioning of the industry in the future.

The necessity for such a searching national investigation with constructive recommendation is imperative. At the moment the coal skies are clearing, but unless we find a cure for the economic ills which affect the industry and therein find a basis for righteous relationship, we shall be faced with a like menacing situation on next

April 1 on the expiration of the wage contracts which are now being made.

The need for such investigation and independent consideration is revealed by both operators and mine workers in the provision in the Cleveland agreement so recently made. The Government will gladly cooperate with the industry in this program so far as it is the public interest so to do, but I have an unalterable conviction that no lasting satisfaction or worth-while results will ensue unless we may have a Government commission, independent of the industry, clothed with authority by the Congress to search deeply, so that it may advise as to fair wages and as to conditions of labor and recommend the enactment of laws to protect the public in the future.

The almost total exhaustion of stocks of coal, the crippled condition of the railways, the distressed situation that has arisen and might grow worse in our great cities due to the shortage of anthracite, the suffering which might arise in the Northwest through failure to meet the winter needs by lake transportation, all these added to the possibility of outrageous price demands, in spite of the most zealous voluntary efforts of the Government to restrain them, make it necessary to ask you to consider at once some form of temporary control of distribution and prices.

The administration earnestly has sought to restrain profiteering and to secure the rightful distribution of such coal as has been available in this emergency. There were no legal powers for price control. There has been cordial cooperation in many fields, a fine revelation of business conscience stronger than the temptation to profit by a people's misfortune. There have been instances of flat refusal. I rejoice to make grateful acknowledgment to those who preferred to contribute to national welfare rather than profit by a nation's distress.

If it may have your approval, I recommend immediate provision for a temporary national coal agency, with needed capital, to purchase, sell, and distribute coal which is carried in interstate shipment. I do not mean that all interstate coal shall be handled by such a federal organization; perhaps none will be necessary; but it will restore its capital to the Public Treasury and will be the instrumentality of guarding the public interest where private conscience is insensible to a public need.

This proposal does not relate to any possible employment in intrastate shipments. Price restraint and equitable distribution in intrastate shipments is a responsibility of the state's own government. In such voluntary activities as have been carried on thus far the federal Government has endeavored to reestablish the authority and responsibility in the states which was undermined in the necessary centralization of authority during the World War.

The public menace in the coal situation was made more acute and more serious at the beginning of July by the strike of the Federated Shop Crafts in the railroad service—a strike against a wage decision made by the Railroad Labor Board, directly affecting approximately 400,000 men. The justice of the decision is not for discussion here. The decision has been lost sight of in subsequent developments. In any event, it was always possible to appeal for rehearing and the submission of new evidence, and it is always a safe assumption that a Government agency of adjustment deciding unjustly will be quick to make right any wrong.

The Railroad Labor Board was created by Congress for the express purpose of hearing and deciding disputes between the carriers and their employees, so that no controversy need lead to an interruption in interstate transportation.

It was inevitable that many wage disputes should arise. Wages had mounted upward, necessarily and justly, during the war upheaval, likewise the cost of transportation, so that the higher wages might be paid. It was inevitable that some readjustments should follow. Naturally these readjustments were resisted. The administrative Government neither advocated nor opposed. It only held that the Labor Board was the lawful agency of the Government to hear and decide disputes, and its authority must be sustained, as the law contemplates. This must be so, whether the carriers or the employees ignore its decisions.

Unhappily a number of decisions of this board had been ignored by the carriers. In only one instance, however, had a decision, challenged by a carrier, been brought to the attention of the Department of Justice, and this decision was promptly carried to the courts and has recently been sustained in the federal Court of Appeals. The public or the Executive had no knowledge of the ignored decisions in other cases, because they did not hinder transportation. When these failures of many of the carriers to abide by decisions of the board were brought to my attention, I could more fairly appraise the feelings of the strikers, though they had a remedy without seeking to paralyze interstate commerce.

The law creating the Railroad Labor Board is inadequate. Contrary to popular impression, it has little or no power to enforce its decisions. It can impose no penalties on either party disregarding its decisions. It cannot halt a strike, and manifestly Congress deliberately omitted the enactment of compulsory arbitration. The decisions of the board must be made enforceable and effective against carriers and employees alike. But the law is new, and no perfection of it by Congress at this moment could be helpful in the present threatened paralysis of transportation.

Happily it is always lawful and ofttimes possible to settle disputes outside of court, so, in a desire to serve public welfare, I ventured upon an attempt at mediation. Those who had preceded me in attempted settlements had made some progress. I submitted to the officials of the striking employees and the chairman of the Association of Railway Executives, in writing, on the same day, a tentative proposal for settlement. Knowing that some of the carriers had offended by ignoring the decisions of the board and the employees had struck when they had a remedy without the strike, I felt it was best to start all over again, resume work, all to agree to abide faithfully by the board's decisions, make it a real tribunal of peace in transportation, and everybody serve the public. The barrier to be surmounted was the question of seniority. By the workmen these rights are held to be sacred, and unsurrendered by a strike. By the carriers the preservation of seniority is the weapon of discipline on the one hand and the reward of faithful employees on the other. It has been an almost invariable rule that when strikes have been lost seniority and its advantages have been surrendered; when strikes have been settled seniority has been restored.

In the tentative proposal which I sponsored it was provided that everybody should go to work, with seniority rights unimpaired, that there should be no discrimination by either workmen or carriers against workmen who did or did not strike. I realized that the proposal must carry a disappointment to employees who had inherited promotion by staying loyally on the job, and to such new men as had sought jobs looking to permanent employment, but I wanted the fresh start and maintained transportation service, and I appraised the disappointment of the few to be less important than the impending misfortune to the nation. It was not what I would ask ordinarily to be considered or conceded, but at that moment of deep anxiety, with the coal shortage gravely menacing, I was thinking of the pressing demands of the welfare of the whole people. I believed the sacrifice brought to the men involved could be amply compensated for by the carriers in practical ways. I believed that the matter of transcendent importance was the acceptance of the proposal to respect the Labor Board's decisions on the questions which formed the issue at the time of the strike. The public compensation would be complete in guarding by law against recurrence.

The proposal was rejected by the carriers. Though the rejection did not end all negotiation, it left the Government only one course—to call the striking workmen to return to work, to call the carriers to assign them to work, and leave the dispute about seniority to the Labor Board for decision. When negotiation or mediation fails, this is the course contemplated by the law and the Government can have no chart for its course except the law.

To this call a majority of the carriers responded favorably, proposing to reemploy all strikers except those guilty of violence against workmen or property, to restore the striking workmen to their old positions where vacant, or to like positions where vacancies are filled; questions of seniority which can not be settled between the employer and employees to go to the Labor Board for decision. The minority of the carriers proposed to assign jobs to workmen on strike only where the positions were vacant. Neither proposal has been accepted.

Thus the narrative brings us to the present moment, but it has not included the developments which have heightened the Government's concern. Sympathetic strikes have developed here and there, seriously impairing interstate commerce. Deserted transcontinental trains in the desert regions of the Southwest have revealed the cruelty and contempt for law on the part of some railway employees, who have conspired to paralyze transportation, and lawlessness and violence in a hundred places have revealed the failure of the striking unions to hold their forces to law observance. Men who refused to strike and who have braved insult and assault and risked their lives to serve the public need have been cruelly attacked and wounded or killed. Men seeking work and guards attempting to protect lives and property, even officers of the federal Government, have been assaulted, humiliated, and hindered in their duties. Strikers have armed themselves and gathered in mobs about railroad shops to offer armed violence to any man attempting to go to work. There is a state of lawlessness shocking to every conception of American law and order and violating the cherished guaranties of American freedom. At no time has the federal Government been unready or unwilling to give its support to maintain law and order and restrain violence, but in no case has state authority confessed its inability to cope with the situation and asked for federal assistance.

Under these conditions of hindrance and intimidation there has been such a lack of care of motive power that the deterioration of locomotives and the noncompliance with the safety requirements of the law are threatening the breakdown of transportation. This very serious menace is magnified by the millions of losses to fruit growers and other producers of perishable foodstuffs, and comparable losses to farmers who depend on transportation to market their grains at harvest time. Even worse, it is hindering the transport of available coal when industry is on the verge of paralysis because of coal shortage, and life and health are menaced by coal famine in the great centers of population. Surely the threatening conditions must impress the Congress and the country that no body of men, whether limited in numbers and responsible for railway management or powerful in numbers and the necessary forces in railroad operation, shall be permitted to choose a course which so imperils public welfare. Neither organizations of employers nor workingmen's unions may escape responsibility. When related to a public service the mere fact of organization magnifies that responsibility and public interest transcends that of either grouped capital or organized labor.

Another development is so significant that the hardships of the moment may well be endured to rivet popular attention to necessary settlement. It is fundamental to all freedom that all men have unquestioned rights to lawful pursuits, to work and to live and choose their own lawful ways to happiness. In these strikes these rights have been denied by assault and violence, by armed lawlessness. In many communities the municipal authorities have winked at these violations, until liberty is a mockery and the law a matter of community contempt. It is fair to say that the great mass of organized workmen do not approve, but they seem helpless to hinder. These conditions can not remain in free America. If free men can not toil according to their own lawful choosing, all our constitutional guaranties born of democracy are surrendered to mobocracy and the freedom of a hundred millions is surrendered to the small minority which would have no law.

It is not my thought to ask Congress to deal with these fundamental problems at this time. No hasty action would contribute to the solution of the present critical situation. There is existing law by which to settle the prevailing disputes. There are statutes forbidding conspiracy to hinder interstate commerce. There are laws to assure the highest possible safety in railway service. It is my purpose to invoke these laws, civil and criminal, against all offenders alike.

The legal safeguarding against like menaces in the future must be worked out when no passion sways, when no prejudice influences, when the whole problem may be appraised, and the public welfare may be asserted against any and every interest which assumes authority beyond that of the Government itself.

One specific thing I must ask at your hands at the earliest possible moment. There is pending a bill to provide for the better protection of aliens and for the enforcement of their treaty rights. It is a measure, in short, to create a jurisdiction for the federal courts through which the national Government will have appropriate power to protect aliens in the rights secured to them under treaties and to deal with crimes which affect our foreign relations.

The matter has been before Congress on many previous occasions. President Tyler, in his first annual message, advised Congress that inasmuch as "the Government is charged with the maintenance of peace and the preservation of amicable relations with the nations of the earth, it ought to possess without question all the reasonable and proper means of maintaining the one and preserving the other."

President Harrison asked for the same bestowal of jurisdiction, having encountered deep embarrassment which grew out of the lynching of eleven aliens in New Orleans in 1891. President McKinley, dealing with a like problem in 1899, asked the conferring upon federal courts jurisdiction in that class of international cases where the ultimate responsibility of the federal Government may be involved. President Roosevelt uttered a like request to Congress in 1906, and President Taft pointed out the defect in the present federal jurisdiction when he made his inaugural address in 1909. He declared that "it puts our Government in a pusillanimous position to make definite engagement to protect aliens and then to excuse the failure to perform these engagements by an explanation that the duty to keep them is in states or cities not within our control. If we would promise, we must put ourselves in a position to perform our promise. We can not permit the possible failure of justice, due to local prejudice in any state or municipal government, to expose us to the risk of war which might be avoided if federal jurisdiction were asserted by suitable legislation by Congress."

My renewal of this oft-made recommendation is impelled by a pitiable sense of federal impotence to deal with the shocking crime at Herrin, Illinois, which so recently shamed and horrified the country. In that butchery of human beings, wrought in madness, it is alleged that two aliens were murdered. This act adds to the outraged sense of American justice the humiliation which lies in the federal Government's confessed lack of authority to punish that unutterable crime.

Had it happened in any other land than our own, and the wrath of righteous justice were not effectively expressed, we should have pitied the civilization that would tolerate and sorrow for the Government unwilling or unable to mete out just punishment.

I have felt the deep current of popular resentment that the federal Government has not sought to efface this blot from our national shield, that the federal Government has been tolerant of the mockery of local inquiry and the failure of justice in Illinois. It is the regrettable truth that the federal Government can not act under the law. But the bestowal of the jurisdiction necessary to enable federal courts to act appropriately will open the way to punish barbarity and butchery at Herrin or elsewhere, no matter in whose name or for what purpose the insufferable outrage is committed.

It is deplorable that there are or can be American communities where even there are citizens, not to speak of public officials, who believe mob warfare is admissible to cure any situation. It is terrorizing to know that such madness may be directed against men merely for choosing to accept lawful employment. I wish the federal Government to be able to put an end to such crimes against civilization and punish those who sanction them.

In the weeks of patient conference and attempts at settlement I have come to appraise another element in the engrossing industrial dispute of which it is only fair to take cognizance. It is in some degree responsible for the strikes and has hindered attempts at adjustments. I refer to the warfare on the unions of labor. The Government has no sympathy or approval for this element of discord in the ranks of industry. Any legislation in the future must be as free from this element of trouble making as it is from labor extremists who strive for class domination. We recognize these organizations in the law, and we must accredit them with incalculable contribution to labor's uplift. It is of public interest to preserve them and profit by the good that is in them but we must check the abuses and the excesses which conflict with public interest, precisely as we have been progressively legislating to prevent capitalistic, corporate, or managerial domination which is contrary to public welfare. We also recognize the right of employers and employees alike within the law, to establish their methods of conducting business, to choose their employment and to determine their relations with each other. We must reassert the doctrine that in this republic the first obligation and the first allegiance of every citizen, high or low, is to his Government, and to hold that Government to be the just and unchallenged sponsor for public welfare, and the liberty, security, and rights of all its citizens. No matter what clouds may gather, no matter what storms may ensue, no matter what hardships may attend or what sacrifice may be necessary, government by law must and will be sustained.

Wherefore I am resolved to use all the power of the Government to maintain transportation, and sustain the right of men to work.

VETO MESSAGE

[Adjusted Compensation for World War Veterans.]

THE WHITE HOUSE, *September 19, 1922.*

To the House of Representatives:

Herewith is returned, without approval, H. R. 10874, a bill "to provide adjusted compensation for the veterans of the World War, and for other purposes."

With the avowed purpose of the bill to give expression of a nation's gratitude to those who served in its defense in the World War, I am in accord, but to its provisions I do not subscribe. The United States never will cease to be grateful; it can not and never will cease giving expression to that gratitude.

In legislating for what is called adjusted compensation Congress fails, first of all, to provide the revenue from which the bestowal is to be paid. Moreover, it establishes the very dangerous precedent of creating a Treasury covenant to pay which puts a burden variously estimated between four and five billions upon the American people, not to discharge an obligation which the Government always must pay but to bestow a bonus which the soldiers themselves while serving in the World War did not expect.

It is not denied that the nation has certain very binding obligations to those of its defenders who made real sacrifices in the World War, and who left the armies injured, disabled, or diseased so that they could not resume their places in the normal activities of life. These obligations are being gladly and generously met. Perhaps there are here and there inefficiencies and injustices, and some distressing instances of neglect, but they are all unintentional and every energy is being directed to their earliest possible correction. In meeting this obligation there is no complaint about the heavy cost. In the current fiscal year we are expending $510,000,000 on hospitalization and care of sick and wounded, on compensation and vocational training for the disabled, and for insurance. The figures do not include the more than $35,000,000 in process of expenditure on hospital construction. The estimates for the year to follow are approximately $470,000,000, and the figures may need to be made larger. Though the peak in hospitalization may have passed, there is a growth in domicilization and the discharge in full of our obligations to the diseased, disabled, or dependent who have a right to the Government's care, with insurance liability added, will probably reach a total sum in excess of $25,000,000,000.

More than 99,000 veterans are now enrolled in some of the 445 different courses in vocational training. Fifty-four thousand of them are in schools or colleges, more than 38,000 are in industrial establishments, and a few more than 6,000 are being trained in schools operated by the Veterans' Bureau.

Approximately 19,000 have completed their courses and have employment in all cases where they desire it, and 53,000 have deferred for the present time their acceptance of training. The number eligible under the law may reach close to 400,000, and facilities will continue to be afforded, unmindful of the necessary cost, until every obligation is fulfilled.

Two hundred and seventy-six thousand patients have been hospitalized, more than a quarter of a million discharged, and 25,678 patients are in our hospitals today.

Four hundred and sixteen thousand awards of compensation have been made on account of death or disability, and $480,000,000 have been paid to disabled men or their dependent relatives. One hundred and seventy-five thousand disabled ex-service men are now receiving compensation along with medical or hospital care where needed, and a quarter of a million checks go out monthly in distributing the $8,000,000 payment on indisputable obligations.

I recite the figures to remind the Congress how generously and how properly it has opened the Treasury doors to discharge the obligations of the nation to those to whom it indisputably owes compensation and care. Though undying gratitude is the meed of everyone who served, it is not to be said that a material bestowal is an obligation to those who emerged from the great conflict not only unharmed but physically, mentally, and spiritually richer for the great experience. If an obligation were to be admitted, it would be to charge the adjusted compensation bill with inadequacy and stinginess wholly unbecoming our republic. Such a bestowal, to be worth while, must be generous and without apology. Clearly the bill returned herewith takes cognizance of the inability of the Government wisely to bestow, and says, in substance, "We do not have the cash; we do not believe in a tax levy to meet the situation, but here is our note; you may have our credit for half its worth." This is not compensation, but rather a pledge by the Congress, while the executive branch of the Government is left to provide for payments falling due in ever-increasing amounts.

When the bill was under consideration in the House I expressed the conviction that any grant of bonus ought to provide the means of paying it, and I was unable to suggest any plan other than that of a general sales tax. Such a plan was unacceptable to the Congress, and the bill has been enacted without even a suggested means of meeting the cost. Indeed, the cost is not definitely known, either for the immediate future or in the ultimate settlement. The Treasury estimates, based on what seems the most likely exercise of the options, figures the direct cost at approximately $145,000,000 for 1923, $225,000,000 for 1924, $114,000,000 for 1925, $312,000,000 for 1926, making a total of $795,000,000 for the first four years of its operation and a total cost in excess of $4,000,000,000. No estimate of the large indirect cost ever has been made. The certificate plan sets up no reserve against the ultimate liability. The plan avoids any considerable direct outlay by the Government during the earlier years of the bill's proposed operations, but the loans on the certificates would be floated on the credit of the nation. This is borrowing on the nation's credit just as truly as though the loans were made by direct Government borrowing, and involves a dangerous abuse of public credit. Moreover, the certificate plan of payment is little less than certified inability of the Government to pay, and invites a practice in sacrificial barter which I can not sanction.

It is worth remembering that the public credit is founded on the popular belief in the defensibility of public expenditure as well as the Government's ability to pay. Loans come from every rank in life, and our heavy tax burdens reach, directly or indirectly, every element in our citizenship. To add one-sixth of the total sum of our public debt for a distribution among less than 5,000,000 out of 110,000,000, whether inspired by grateful sentiment or political expediency, would undermine the confidence on which our credit is builded and establish the precedent of distributing public funds whenever the proposal and the numbers affected make it seem politically appealing to do so.

Congress clearly appraised the danger of borrowing directly to finance a bestowal which is without obligation, and manifestly recognized the financial problems with which the nation is confronted. Our maturing promises to pay within the current fiscal year amount to approximately $4,000,000,000, most of which will have to be refunded. Within the next six years more than $10,000,000,000 of debt will mature and will have to be financed. These outstanding and maturing obligations are difficult enough to meet without the complication of added borrowings, every one of which threatens higher interest and delays the adjustment to stable Government financing and the diminution of federal taxes to the defensible cost of government.

It is sometimes thoughtlessly urged that it is a simple thing for the rich republic to add four billions to its indebtedness. This impression comes from the readiness of the public response to the Government's appeal for funds amid the stress of war. It is to be remembered that in the war everybody was ready to give his all. Let us not recall the comparatively few exceptions. Citizens of every degree of competence loaned and sacrificed, precisely in the same spirit that our armed forces went out for service. The war spirit impelled. To a war necessity there was but one answer, but a peace bestowal on the ex-service man, as though the supreme offering could be paid for with cash, is a perversion of public funds, a reversal of the policy which exalted patriotic service in the past, and suggests that future defense is to be inspired by compensation rather than consciousness of duty to flag and country.

The pressing problem of the Government is that of diminishing our burdens rather than adding thereto. It is the problem of the world. War inflations and war expenditures have unbalanced budgets and added to indebtedness until the whole world is staggering under the load. We have been driving in every direction to curtail our expenditures and establish economies without impairing the essentials of governmental activities. It has been a difficult and unpopular task. It is vastly more applauded to expend than to deny. After nearly a year and a quarter of insistence and persuasion, with a concerted drive to reduce Government expenditure in every quarter possible, it would wipe out everything thus far accomplished to add now this proposed burden, and it would rend the commitment to economy and saving so essential to our future welfare.

The financial problems of the Government are too little heeded until we are face to face with a great emergency. The diminishing income of the Government, due to the receding tides of business and attending incomes, has been overlooked momentarily, but can not be long ignored. The latest budget figures for the current fiscal year show an estimated deficit of more than $650,000,000 and a further deficit for the year succeeding, even after counting upon all interest collections on foreign indebtedness which the Government is likely to receive. To add to our pledges to pay, except as necessity compels, must seem no less than governmental folly. Inevitably it means increased taxation, which Congress was unwilling to levy for the purposes of this bill, and will turn us from the course toward economy so essential to promote the activities which contribute to common welfare.

It is to be remembered that the United States played no self-seeking part in the World War, and pursued an unselfish policy after the cause was won. We demanded no reparations for the cost involved, no payments out of which obligations to our soldiers could be met. I have not magnified the willing outlay in behalf of those to whom we have a sacred obligation. It is essential to remember that a more than $4,000,000,000 pledge to the able-bodied ex-service men now will not diminish the later obligation which will have to be met when the younger veterans of to-day shall contribute to the rolls of the aged, indigent, and dependent. It is as inevitable as that the years will pass that pension provision for World War veterans will be made, as it has been made for those who served in previous wars. It will cost more billions than I venture to suggest. There will be justification when the need is apparent, and a rational financial policy to-day is necessary to make the nation ready for the expenditure which is certain to be required in the coming years. The contemplation of such a policy is in accord with the established practice of the nation, and puts the service men of the World War on the same plane as the millions of men who fought the previous battles of the republic.

I confess a regret that I must sound a note of disappointment to the many ex-service men who have the impression that it is as simple a matter for the Government to bestow billions in peace as it was to expend billions in war. I regret to stand between them and the pitiably small compensation proposed. I dislike to be out of accord with the majority of Congress which has voted the bestowal. The simple truth is that this bill proposes a Government obligation of more than four billions without a provision of funds for the extraordinary expenditure, which the executive branch of the Government must finance in the face of difficult financial problems, and the complete defeat of our commitment to effect economies. I would rather appeal, therefore, to the candid reflections of Congress and the country, and to the ex-service men in particular, as to the course better suited to further welfare of our country. These ex-soldiers who served so gallantly in war, and who are to be so conspicuous in the progress of the republic in the half century before us, must know that nations can only survive where taxation is restrained from the limits of oppression, where the Public Treasury is locked against class legislation, but ever open to public necessity and prepared to meet all essential obligations. Such a policy makes a better country for which to fight, or to have fought, and affords a surer abiding place in which to live and attain.

WARREN G. HARDING.

PROCLAMATION

[Evacuation of the Dominican Republic.]

Issued by Rear Admiral Samuel S. Robison, U.S.N., Military Governor of the Dominican Republic, on October 21, 1922.

Whereas, the plan of evacuation of the territory of the Dominican Republic by the American forces of occupation tentatively agreed to in Washington, D. C., June 30, 1922, has now been formally agreed to by the Government of the United States and by a Commission composed of Monseigneur Doctor Adolfo A. Nouel; General Don Horatio Vasquez; Señor Don Federico Valasquez H.; Licenciado Don Elias Brache, Hijo; on behalf of the Dominican people, and has been officially published by the Commissioner of the President of the United States in the Dominican Republic, and

Whereas, the Government of the United States is convinced that a great majority of the Dominican people favors the execution of this plan of evacuation;

Now, therefore, I, Samuel S. Robison, Rear Admiral, United States Navy, Military Governor of the Dominican Republic, acting under the authority and by direction of the Government of the United States, declare and announce to all concerned, in accordance with the provisions of Article I of the said plan of evacuation, that on October 21, 1922, there will be installed a provisional government of the Dominican Republic for the purpose of promulgating legislation to regulate the holding of elections, to provide for the reorganization of the provincial and municipal governments, and to enable the Dominican people to make such amendments to the Constitution as they may deem appropriate, and hold general elections without the intervention of military government; and this provisional government will order such further powers and duties as are specified in the plan of evacuation.

The provisional government of the Dominican Republic will assume, from the date of its installation, administrative powers to carry out freely the aforesaid purposes; and the said provisional government, from that date, will alone be responsible for its acts. The provisional government, the members of which have been elected in accordance with the provisions of Article II of the plan of evacuation, will be constituted as follows: (Here follows the list of the members of the provisional government with the office held by each.)

Upon taking office, the Provisional President and the members of his cabinet will take the following oath of office, agreed upon by the members of the Commission by whom they were elected, before the Supreme Court of Justice:

> I do solemnly swear that I will well and faithfully discharge the duties of the office on which I am about to enter; that I will enforce the plan of evacuation agreed upon June 30, 1922; that I will abide by the regulations and conditions placed upon the exercise of the provisional government by the Commission which agreed to the plan of evacuation; that I will do all within my power to further the re-establishment of constitutional normality and the restoration of a constitutional government; and that I will obey and cause to be obeyed the laws of the Republic; so help me God.

STATE DEPARTMENT NOTE

[Turkish Policy of United States.]

Delivered to British, French and Italian Governments on October 30, 1922.

The Conference proposed for the purpose of drawing up a treaty of peace with Turkey will have primarily to deal with the problems resulting from the state of belligerency between the Allied Powers, Turkey, and Greece. The United States was neither at war with Turkey nor a party to the Armistice of 1918 and does not desire to participate in the final peace negotiations or to assume responsibility for the political and territorial adjustments which may be effected.

While maintaining this reserve in regard to certain phases of the Near East settlement the Government of the United States does not desire to leave the impression that it regards its interests as less entitled to consideration than those of any other Power, or that it is disposed to relinquish rights enjoyed in common with other powers, or proper commercial opportunity, or that it is unconcerned with the humanitarian interests involved.

For the purpose of clarity certain subjects of particular American concern may be briefly summarized.

(1) The maintenance of capitulations which may be essential to the appropriate safeguarding of non-Moslem interests.

(2) The protection, under proper guarantees, of philanthropic, educational and religious institutions.

(3) Appropriate undertakings in regard to the freedom of opportunity, without discrimination or special privilege, for commerical enterprise.

(4) Indemnity for losses suffered by Americans in Turkey as a result of arbitrary and illegal acts.

(5) Suitable provisions for the protection of minorities.

(6) Assurances touching the freedom of the Straits.

(7) Reasonable opportunity for archeological research and study.

This brief summary, while not exhaustive, may serve to indicate the general nature of American interests. To safeguard such interests and to facilitate the exchange of views the Government of the United States is prepared to send observers to the proposed conference if this action is agreeable to the Powers concerned. Without participating in the negotiations of the treaty of peace, these observers would be able to indicate this Government's position in greater detail than is possible in this Aide-Memoire and they could also inform the American Government of the attitude of other Powers in matters where there are mutual interests.

As the object in view in submitting this suggestion is the elimination of any possible cause of misunderstanding, it is considered appropriate to call attention to the attitude of the United States in respect to secret treaties and agreements. It is not felt that arrangements previously made with respect to Turkish territory, which provide for the establishment of zones of special commercial and economic influence, such, for example, as the Tripartite Agreement of 1920, are consonant with the principle of the equality of economic opportunity. It is assumed that the Allied Powers will not now desire, and do not now intend, to carry into effect previous arrangements of this nature.

The United States has no desire to take any action which might embarrass the Allied Powers in the proper effort to secure peace. It desires nothing which need conflict with the interests of other countries, if the principle of commercial opportunity for all nations is recognized at the outset. The United States has no intention of seeking for itself or its nationals a position of special privilege, but it desires to protect its rights and to assure the Open Door. Finally it wishes to afford protection to its citizens who wish to continue the humanitarian work which has been carried on for generations in the Near East and is rendered more essential than ever by the present conditions.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

PROCLAMATIONS

[Thanksgiving—1922.]

In the beginnings of our country the custom was established by the devout fathers of observing annually a day of Thanksgiving for the bounties and protection which Divine Providence had extended throughout the year. It has come to be perhaps the most characteristic of our national observances, and as the season approaches for its annual recurrence, it is fitting formally to direct attention to this ancient institution of our people and to call upon them again to unite in its appropriate celebration.

The year which now approaches its end has been marked, in the experience of our nation, by a complexity of trials and of triumphs, of difficulties and of achievements, which we must regard as our inevitable portion in such an epoch as that through which all mankind is moving. As we survey the experience of the passing twelve-month we shall find that our estate presents very much to justify a nation-wide and most sincere testimony of gratitude for the bounty which has been bestowed upon us. Though we have lived in the shadow of the hard consequences of great conflict, our country has been at peace and has been able to contribute toward the maintenance and perpetuation of peace in the world. We have seen the race of mankind make gratifying progress on the way to permanent peace, toward order and restored confidence in its high destiny. For the Divine guidance which has enabled us, in growing fraternity with other peoples, to attain so much of progress; for the bounteous yield which has come to us from the resources of our soil and our industry, we owe our tribute of gratitude and with it our acknowledgment of the duty and obligation to our own people and to the unfortunate, the suffering, the distracted of other lands. Let us in all humility acknowledge how great is our debt to the Providence which has generously dealt with us, and give devout assurance of unselfish purpose to play a helpful and ennobling part in human advancement. It is much to be desired that in rendering homage for the blessings which have come to us, we should earnestly testify our continued and increasing aim to make our own great fortune a means of helping and serving, as best we can, the cause of all humanity.

Now, therefore, I, Warren G. Harding, President of the United States of America, do designate Thursday, the thirtieth day of November, as a day of Thanksgiving, supplication and devotion. I recommend that the people gather at their family altars and in their houses of worship to render thanks to God for the bounties they have enjoyed and to petition that these may be continued in the year before us.

In Witness Whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this second day of November, in the year of our Lord one thousand nine hundred and twenty-two, and of the independence of the United States of America the one hundred and forty-seventh.

[SEAL.]

WARREN G. HARDING.

By the President:

CHARLES E. HUGHES, *Secretary of State.*

[Extra Session of Congress, 1922.]

Whereas, public interests require that the Congress of the United States should be convened in extra session at twelve o'clock, noon, on the twentieth day of November, 1922, to receive such communication as may be made by the Executive;

Now, therefore, I, Warren G. Harding, President of the United States of America, do hereby proclaim and declare that an extraordinary occasion requires the Congress of the United States to convene in extra session at the Capitol in the City of Washington on the twentieth day of November, 1922, at twelve o'clock, noon, of which all persons who shall at that time be entitled to act as members thereof are hereby required to take notice.

In Witness Whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this ninth day of November in the year of our Lord one thousand nine hundred and twenty-two, [SEAL.] and of the independence of the United States the one hundred and forty-seventh.

WARREN G. HARDING.

By the President:

CHARLES E. HUGHES, *Secretary of State.*

[American Education Week—1922.]

The ideals of democratic government and democratic education were planted simultaneously in our country. The fathers rightly believed that only a people trained to vision of public needs and duties could develop and maintain the institutions of popular government. The system of universal education, established in the beginnings, has developed with the country and become one of the characteristic features of our life. In it we have laid the foundation of that system of American culture which has enabled us to absorb and assimilate millions who have come to us from many countries, bringing the traditions of widely varying institutions.

In order that we may keep in mind the need constantly to improve our educational system, it is proposed that the week of December 3-9, inclusive, be set aside for special observance as American Education Week. It is recommended to the Governors of the states that they cooperate with the educational and civic authorities of their commonwealths to make the week a period for revival of interest in the broad work of national education.

It is gratifying to know that in a time when public burdens have lain very heavy upon the people there has been everywhere a determined purpose to maintain education unimpaired, in order that the coming generation may be equipped, regardless of sacrifices in the present, for the increasing responsibilities which it must bear.

"Without vision the people perish". Without education, there can be little vision. Of education it may be said that "It is twice blest; it blesseth him that gives and him that takes." It will be greatly worth the effort if, as an incident to the observance of Education Week, we can impress this thought upon the young manhood and womanhood of the nation and redirect their interest and patriotic zeal to the idea of making a proper contribution to educational work. It is regrettable that so few young men and women, equipped for such service, are nowadays disposed to give their time and talents to teaching. Education needs their youth, eagerness, zeal and enthusiasm. There is no school of discipline more effective than that in which the teacher goes to school. We could do no greater service than by convincing those young men and women who have enjoyed educational opportunities, that they owe a reasonable share of their time and energies to teaching.

The strength and security of the nation will always rest in the intelligent body of its people. Our education should implant conceptions of public duty and private obligation broad enough to envisage the problems of a greatly distraught world. More than anything else, men and women need the capacity to see with clear eye and to contemplate with open, unprejudiced mind, the issues of these times. Only through a properly motivated and generously inspired process of education can this be accomplished.

In view, then, of these and many other considerations, I hereby proclaim the week of December 3-9 as American Education Week, recommending to the appropriate national, state and local authorities that they give their cordial support and cooperation to making its observance inspirational and beneficial. Civic organizations and religious bodies may render special service by their cooperation; and particularly it is recommended that parents enlist themselves in behalf of closer understanding between the school and the home, with the purpose of mutual helpfulness.

In Consideration and Witness Whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this twentieth day of November, in the year of our Lord one thousand nine hundred and twenty-
[SEAL.] two, and of the independence of the United States the one hundred and forty-seventh. WARREN G. HARDING.

By the President:

CHARLES E. HUGHES, *Secretary of State.*

ADDRESS TO CONGRESS, NOVEMBER 21, 1922

[Aid to United States Merchant Marine.]

MEMBERS OF THE CONGRESS:

Late last February I reported to you relative to the American merchant marine, and recommended legislation which the executive branch of the Government deemed essential to promote our merchant marine and with it our national welfare. Other problems were pressing and other questions pending, and for one reason or another, which need not be recited, the suggested legislation has not progressed beyond a favorable recommendation by the House committee.

The committee has given the question a full and painstaking inquiry and study, and I hope that its favorable report speedily will be given the force of law.

It will be helpful in clearing the atmosphere if we start with the frank recognition of divided opinion and determined opposition. It is no new experience. Like proposals have divided the Congress on various previous occasions. Perhaps a more resolute hostility never was manifest before, and I am very sure the need for decisive action—decisive, favorable action—never was so urgent before.

We are not now dealing with a policy founded on theory, we have a problem which is one of grim actuality. We are facing insistent conditions, out of which will come either additional and staggering Government losses and national impotence on the seas, or else the unfurling of the flag on a great American merchant marine commensurate with our commercial importance, to serve as carrier of our cargoes in peace and meet the necessities of our defense in war. There is no thought here and now to magnify the relation of a merchant marine to our national defense. It is enough to recall that we entered the World War almost wholly dependent on our allies for transportation by sea. We expended approximately three billions, feverishly, extravagantly, wastefully, and impractically. Out of our eagerness to make up for the omissions of peace and to meet the war emergency we builded and otherwise acquired the vast merchant fleet which the Government owns to-day.

In the simplest way I can say it, our immediate problem is not to build and support a merchant shipping, which I hold to be one of the highest and most worthy aspirations of any great people; our problem is to deal with what we now possess. Our problem is to relieve the Public Treasury of the drain it is already meeting. Let us omit particulars about the frenzied war-time building. Possibly we did full as well as could have been done in the anxious circumstances. Let us pass for the moment the vital relationship between a merchant marine and a commercially aspiring nation. Aye, let us suppose for a moment the absurdity that with one $3,000,000,000 experience, and with the incalculable costs in lives and treasure which may be chargeable to our inability promptly to apply our potency—which God forefend happening again—let us momentarily ignore all of these and turn to note the mere business problem, the practical question of dollars and cents with which we are confronted.

The war construction and the later completion of war contracts, where completion was believed to be the greater economy to the Public Treasury, left us approximately 13,200,000 gross tonnage in ships. The figures are nearer 12,500,000 tons now, owing to the scrapping of the wooden fleet. More than half this tonnage is

Government-owned, and approximately 2,250,000 tons are under Government operation in one form or another. The net loss to the United States Treasury—sums actually taken therefrom in this Government operation—averaged approximately $16,000,000 per month during the year prior to the assumption of responsibility by the present administration. A constant warfare on this loss of public funds, and the draft to service of capable business management and experienced operating directors, have resulted in applied efficiency and enforced economies. It is very gratifying to report the diminution of the losses to $4,000,000 per month, or a total of $50,000,000 a year; but it is intolerable that the Government should continue a policy from which so enormous a Treasury loss is the inevitable outcome. This loss, however, attends operation of less than a third of the Government-owned fleet.

It is not, therefore, a question of adding new Treasury burdens to maintain our shipping; we are paying these burdens now. It is not a question of contracting an outlay to support our merchant shipping, because we are paying already. I am not asking your authorization of a new and added draft on the Public Treasury; I am appealing for a program to diminish the burden we are already bearing.

When your executive Government knows of public expenditures aggregating fifty millions annually, which it believes could be reduced by half through a change of policy, your Government would be unworthy of public trust if such a change were not commended, nay, if it were not insistently urged.

And the pity of it is that our present expenditure in losses is not constructive. It looks to no future attainments. It is utterly ineffective in the establishment of a dependable merchant marine, whereas the encouragement of private ownership and the application of individual initiative would make for a permanent creation, ready and answerable at all times to the needs of the nation.

But I have not properly portrayed all the current losses to the Public Treasury. We are wearing out our ships without any provision for replacement. We are having these losses through deterioration now, and are charging nothing against our capital account. But the losses are there, and regrettably larger under Government operation than under private control. Only a few years of continued losses on capital account will make these losses through depreciation alone to exceed the fifty millions a year now drawn to cover losses in operation.

The gloomy picture of losses does not end even there. Notwithstanding the known war cost of three billions of dollars for the present tonnage, I will not venture to appraise its cash value to-day. It may as well be confessed now as at some later time that in the mad rush to build, in establishing shipyards wherever men would organize to expend Government money, when we made shipbuilders overnight quite without regard to previous occupations or pursuits, we builded poorly, often very poorly. Moreover, we constructed without any formulated program for a merchant marine. The war emergency impelled, and the cry was for ships, any kind of ships. The error is recalled in regret rather than criticism. The point is that our fleet, costing approximately three billions, is worth only a fraction of that cost to-day. Whatever that fraction may be, the truth remains that we have no market in which to sell the ships under our present policy, and a program of surrender and sacrifice and the liquidation which is inevitable unless the pending legislation is sanctioned, will cost scores of millions more.

When the question is asked, Why the insistence for the merchant marine act now? the answer is apparent. Waiving every inspiration which lies in a constructive plan for maintaining our flag on the commercial highways of the seas, waiving the prudence in safeguarding against another $3,000,000,000 madness if war ever again impels, we have the unavoidable task of wiping out a $50,000,000 annual loss in operation, and losses aggregating many hundreds of millions in worn-out, sacrificed, or scrapped shipping. Then the supreme humiliation, the admission that the United States—our America, once eminent among the maritime nations of the world—is incapable of asserting itself in the peace triumphs on the seas of the world. It would seem to me doubly humiliating when we own the ships and fail in the genius and capacity to turn their prows toward the marts of the world.

This problem can not longer be ignored, its attempted solution can not longer be postponed. The failure of Congress to act decisively will be no less disastrous than adverse action.

Three courses of action are possible, and the choice among them is no longer to be avoided.

The first is constructive—enact the pending bill, under which, I firmly believe, an American merchant marine, privately owned and privately operated, but serving all the people and always available to the Government in any emergency, may be established and maintained.

The second is obstructive—continue Government operations and attending Government losses and discourage private enterprise by Government competition, under which losses are met by the Public Treasury, and witness the continued losses and deterioration until the colossal failure ends in sheer exhaustion.

The third is destructive—involving the sacrifice of our ships abroad or the scrapping of them at home, the surrender of our aspirations, and the confession of our impotence to the world in general, and our humiliation before the competing world in particular.

A choice among the three is inevitable. It is unbelievable that the American people or the Congress which expresses their power will consent to surrender and destruction. It is equally unbelievable that our people and the Congress which translates their wishes into action will longer sustain a program of obstruction and attending losses to the Treasury.

I have come to urge the constructive alternative, to reassert an American "We Will." I have come to ask you to relieve the responsible administrative branch of the Government from a program upon which failure and hopelessness and staggering losses are written for every page, and let us turn to a program of assured shipping to serve us in war and to give guaranty to our commercial independence in peace.

I know full well the hostility in the popular mind to the word "subsidy." It is stressed by the opposition and associated with "special privilege" by those who are unfailing advocates of Government aid whenever vast numbers are directly concerned. "Government aid" would be a fairer term than "subsidy" in defining what we are seeking to do for our merchant marine, and the interests are those of all the people, even though the aid goes to the few who serve.

If "Government Aid" is a fair term—and I think it is—to apply to authorizations aggregating $75,000,000 to promote good roads for market highways, it is equally fit to be applied to the establishment and maintenance of American market highways on the salted seas. If Government aid is the proper designation for fifteen to forty millions annually expended to improve and maintain inland waterways in aid of commerce, it is a proper designation for a needed assistance to establish and maintain ocean highways where there is actual commerce to be carried.

But call it "subsidy," since there are those who prefer to appeal to mistaken prejudice rather than make frank and logical argument. We might so call the annual loss of fifty millions, which we are paying now without protest by those who most abhor, we might as well call that a "subsidy." If so, I am proposing to cut it in half, approximately, and to the saving thus effected there would be added millions upon millions of further savings through ending losses on capital account—Government capital, out of the Public Treasury, always remember—and there would be at least the promise and the prospect of the permanent establishment of the needed merchant marine.

I challenge every insinuation of favored interests and the enrichment of the special few at the expense of the Public Treasury. I am, first of all, appealing to save the Treasury. Perhaps the unlimited bestowal of Government aid might justify the apprehension of special favoring, but the pending bill, the first ever proposed which carries such a provision, automatically guards against enrichment or perpetuated bestowal. It provides that shipping lines receiving Government aid must have their actual investment and their operating expenses audited by the Government, that Government aid will only be paid until the shipping enterprise earns 10 per cent on actual capital employed, and immediately that when more than 10 per cent earning is reached, half of the excess earnings used must be applied to the repayment of the Government aid which has been previously advanced. Thus the possible earnings are limited to a very reasonable amount if capital is to be risked and management is to be attracted. If success attends, as we hope it will, the Government outlay is returned, the inspiration of opportunity to earn remains, and American transportation by sea is established.

Though differing in detail, it is not more in proportion to their population and capacity than other great nations have done in aiding the establishment of their merchant marines, and it is timely to recall that we gave them our commerce to aid in their upbuilding while the American task now is to upbuild and establish in the face of their most active competition. Indeed, the American development will have to overcome every obstacle which may be put in our path, except as international comity forbids. Concern about our policy is not limited to our own domain, though the interest abroad is of very different character. I hope it is seemly to say it, because it must be said, the maritime nations of the world are in complete accord with the opposition here to the pending measure. They have a perfect right to such an attitude. When we look from their viewpoints we can understand. But I wish to stress the American viewpoint. Ours should be the viewpoint from which one sees American carriers at sea, the dependence of American commerce, and American vessels for American reliance in the event of war. Some of the costly lessons of war must be learned again and again, but our shipping lesson in the World War was much too costly to be effaced from the memory of this or future generations.

Not so many months ago the head of a company operating a fleet of ships under our flag called at the Executive Offices to discuss a permit to transfer his fleet of cargo vessels to a foreign flag, though he meant to continue them in a distinctly American service. He based his request for transfer on the allegation that by such a transfer he could reduce his labor costs alone sufficiently to provide a profit on capital invested. I do not vouch for the accuracy of the statement nor mean to discuss it. The allusion is made to recall that in good conscience Congress has created by law conditions surrounding labor on American ships which shipping men the world over declare result in higher costs of operation under our flag. I frankly rejoice if higher standards for labor on American ships have been established.

Merest justice suggests that when Congress fixes these standards, it is fair to extend Government aid in maintaining them until world competition is brought to the same high level, or until our shipping lines are so firmly established that they can face world competition alone.

Having discussed in detail the policy and provisions of the pending bill when previously addressing you, I forbear a repetition now. In individual exchanges of opinion not a few in House or Senate have expressed personal sympathy with the purposes of the bill, and then uttered a discouraging doubt about the sentiment of their constituencies. It would be most discouraging if a measure of such transcending national importance must have its fate depend on geographical, occupational, professional, or partisan objections. Frankly I think it loftier statesmanship to support and commend a policy designed to effect the larger good of the nation than merely to record the too hasty impressions of a constituency. Out of the harmonized aspirations, the fully informed convictions, and the united efforts of all the people will come the greater Republic. Commercial eminence on the seas, ample agencies for the promotion and carrying of our foreign commerce, are of no less importance to the people of Mississippi and the Missouri Valley, the great Northwest, and the Rocky Mountain states, than to the seaboard states and industrial communities building inland a thousand miles or more. It is a common cause, with its benefits commonly shared. When people fail in the national viewpoint, and live in the confines of community selfishness or narrowness, the sun of this republic will have passed its meridian, and our larger aspirations will shrivel in the approaching twilight.

But let us momentarily put aside the aspiring and inspiring viewpoint. The blunt, indisputable fact of the loss of fifty millions a year under Government operations remains; likewise the fast diminishing capital account, the enormous war expenditure, to which we were forced because we had not fittingly encouraged and builded as our commerce expanded in peace. Here are facts to deal with, not fancies wrought out of our political and economic disputes. The abolition of the annual loss and the best salvage of the capital account are of concern to all the people.

It is my firm belief that the combined savings of operating losses and the protection of the capital account through more advantageous sales of our war-built or war-seized ships, because of the favoring policy which the pending bill will establish, will more than pay every dollar expended in Government aid for twenty-five years to come.

It should be kept in mind that the approximate sum of five millions annually paid for the transport of ocean mails is no new expenditure. It should be kept in mind that the loan fund to encourage building is not new; it is the law already, enacted by the essentially unanimous vote of Congress. It is only included in the pending bill in order to amend so as to assure the exaction of a minimum interest rate by the Government, whereas the existing law leaves the grant of building loans subject to any whim of favoritism.

It should be kept in mind, also, that there are assured limitations of the Government aid proposed. The direct aid, with ocean carrying maintained at our present participation, will not reach twenty millions a year, and the maximum direct aid, if our shipping is so promoted that we carry one-half of our deep-seas commerce, will not exceed thirty millions annually. At the very maximum of outlay we should be saving twenty millions of our present annual operating loss. If the maximum is ever reached, the establishment of our merchant marine will have been definitely recorded and the Government-owned fleet fortunately liquidated.

From this point of view it is the simple, incontestable wisdom of businesslike dealing to save all that is possible of the annual loss and avoid the millions sure to be lost to the Government's capital account in sacrificing our fleet. But there is a bigger, broader, more inspiring viewpoint, aye, a patriotic viewpoint. I refer to the constructive action of to-day, which offers the only dependable promise of making our war-time inheritance of ships the foundation of a great agency of commerce in peace and an added guaranty of service when it is necessary to our national defense.

Thus far I have been urging Government aid to American shipping, having in mind every interest of our producing population, whether of mine, factory, or farm, because expanding commerce is the foremost thought of every nation in the world to-day.

I believe in Government aid becomingly bestowed. We have aided industry through our tariffs; we have aided railway transportation in land grants and loans. We have aided the construction of market roads and the improvement of inland waterways. We have aided reclamation and irrigation and the development of water power; we have loaned for seed grains in anticipation of harvests. We expend millions in investigation and experimentation to promote a common benefit, though a limited few are the direct beneficiaries. We have loaned hundreds of millions to promote the marketing of American goods. It has all been commendable and highly worth while.

At the present moment the American farmer is the chief sufferer from the cruel readjustments which follow war's inflations, and befitting Government aid to our farmers is highly essential to our national welfare. No people may safely boast a good fortune which the farmer does not share.

Already this Congress and the administrative branch of the Government have given willing ear to the agricultural plea for postwar relief, and much has been done which has proven helpful. Admittedly, it is not enough. Our credit systems, under Government provision and control, must be promptly and safely broadened to relieve our agricultural distress.

To this problem and such others of pressing importance as reasonably may be dealt with in the short session I shall invite your attention at an early day.

I have chosen to confine myself to the specific problem of dealing with our merchant marine because I have asked you to assemble two weeks in advance of the regularly appointed time to expedite its consideration. The executive branch of the Government would feel itself remiss to contemplate our yearly loss and attending failure to accomplish if the conditions were not pressed for your decision. More, I would feel myself lacking in concern for America's future if I failed to stress the beckoning opportunity to equip the United States to assume a befitting place among the nations of the world whose commerce is inseparable from the good fortunes to which rightfully all peoples aspire.

SPECIAL MESSAGE TO CONGRESS

[Transmitting Budget]

THE WHITE HOUSE, *December 4, 1922.*

To the Congress of the United States:

I transmit herewith the Budget of the United States for the fiscal year ending June 30, 1924, which is summarized in the following statement:

BUDGET SUMMARY

[Exclusive of postal revenues and postal expenditures paid from postal revenues.]

	Estimated, 1924	Estimated, 1923	Actual, 1922
Total receipts	$3,361,812,359	$3,429,862,959	$4,109,104,150.94
Total expenditures (including reduction of the public debt required by law to be made from ordinary receipts)	3,180,843,234	3,703,801,671	3,795,302,499.84
Excess of expenditures	....	273,938,712	....
Excess of receipts	180,969,125	....	313,801,651.10

In the Budget for the fiscal year ending June 30, 1923, transmitted to Congress December 5, 1921, the estimated receipts for the fiscal year 1922 were $3,943,453,663, and the estimated expenditures $3,967,922,366, thus forecasting an apparent excess of expenditures over receipts of $24,468,703. At the close of business on June 30, 1922, it was found that the actual receipts for the fiscal year 1922 were $4,109,104,150.94 and the actual expenditures $3,795,302,499.84, making an excess of receipts over expenditures of $313,801,651.10. That we closed the fiscal year 1922 with a surplus of $313,801,651.10 instead of an estimated deficit of $24,468,703 was due in no small measure to the fact that at the beginning of the fiscal year 1922 a system of financial control was established in the executive branch of the Government under the budget system. Immediately upon the commencement of the fiscal year 1922 Executive pressure for the closest economies was brought to bear upon the business organization of the Government. For the first time in the history of this country coordination was established in the routine business of the Government and the departments and establishments thus brought together in a common effort for economy.

While the estimate of receipts and expenditures for the fiscal year 1923 as made at the time of the presentation of the budget in December, 1921, indicated that the receipts would be $3,338,182,750 and the expenditures $3,505,754,727, a revision of the prospective receipts and expenditures made on July 1, 1922, the commencement of the fiscal year, indicated that the receipts would be $3,073,825,311 and the expenditures $3,771,258,542. That revised estimate indicated an excess of expenditures over receipts of $697,433,231.

As a result, however, of the operations of the first five months of the current fiscal year, a revised estimate of receipts has now been made showing a total of $3,429,862,959. The considerable increase over the July estimate is due to the stimulation in the collection of ordinary receipts aided by an increase in the customs revenues. On the other hand, due to continued pressure for economies and a revision of the expenditure program based on five months of actual operation, it is now estimated that the expenditures for the fiscal year 1923 will be $3,703,801,671. These revised figures indicate an apparent prospective deficit of $273,938,712. I am hopeful, however, that the conditions on which this estimate is predicated will change for the better in the ensuing months of the fiscal year and that the close of the year will show a balanced account.

It is well to mention that of the total estimated expenditures of $3,703,801,671 for the fiscal year 1923, approximately $2,000,000,000 will be expended in the payment of pensions, payment to or on behalf of World War veterans, interest on the public debt, and for the reduction of the public debt required by law to be made from ordinary receipts.

This estimate of expenditures during the fiscal year 1923 includes the amount of the difference between the cash receipts from sales of war savings stamps, series of 1918, and their face value, which series becomes due January 1, 1923. This amount of approximately $125,000,000 represents discount accruals covering a period of five years, and while not an expenditure properly chargeable against the ordinary receipts of 1923 must be met this fiscal year, and therefore has been included in this year's estimated expenditures.

We now come to the budget for the fiscal year ending June 30, 1924. It is estimated that the total ordinary receipts from all sources, excluding the Postal Service, will be $3,361,812,359. This is $747,291,791.94 less than the actual receipts for 1922 and $68,050,600 less than the estimated receipts for 1923. The items which make up this estimated total for 1924 are compared with similar items for the two preceding years, as follows:

RECEIPTS

Source	1924	1923	1922
Internal-revenue receipts	$2,425,000,000	$2,400,000,000	$3,213,253,256.79
Customs receipts	425,000,000	450,000,000	356,443,387.18
Miscellaneous receipts:			
Interest, premium and discount	232,863,263	237,800,455	57,460,287.03
Sale of Government properties	35,404,410	95,859,125	116,287,787.86
Public domain receipts	16,149,650	16,214,600	16,334,595.64
Franchise tax, Federal reserve banks	10,000,000	10,000,000	59,974,465.64
Profits on coinage, bullion deposits, etc.	10,000,000	17,000,000	21,660,921.07
Fees, fines, and forfeitures	33,000,642	31,295,357	32,539,339.35
Repayments of foreign loans and other investments	59,175,000	58,643,000	120,658,726.93
District of Columbia receipts	15,506,500	16,363,415	15,235,016.44
Panama Canal receipts	14,224,000	13,924,000	11,747,092.47
Trust fund receipts	65,319,179	61,196,522	57,939,581.32
Other sources	20,169,715	21,566,485	29,569,693.22
Total miscellaneous receipts	511,812,359	579,862,959	539,407,506.97
Total receipts, all sources	3,361,812,359	3,429,862,959	4,109,104,150.94

The estimate of expenditures for the fiscal year 1924 is $3,180,843,234. This is the amount which it is estimated will be withdrawn from the Treasury during the fiscal year ending June 30, 1924. This estimate of cash withdrawal is to be distinguished from the estimate of appropriations contained in the Budget, since withdrawals during the fiscal year will be made from appropriations heretofore made as well as from appropriations recommended in this Budget. Furthermore, a portion of the money to be appropriated for the fiscal year 1924 will not be withdrawn from the Treasury until after the close of that fiscal year.

These expenditures may be divided into two general classes, those which partake of the nature of fixed charges and are not generally subject to administrative control, and those which are subject to administrative control.

Included within the first class are pensions, payments to or on behalf of the World War veterans, interest on the public debt, and the reduction of the public debt required by law to be made from the ordinary receipts of the Government. These items, together with certain other, but smaller, items not generally subject to administrative control, represent about two-thirds of the estimated expenditures, leaving approximately $1,000,000,000 subject to administrative control.

The foregoing does not include expenditures for the Postal Service and the Post Office Department payable from postal revenues. Such expenditures for the fiscal year 1922 were $545,666,532.28, a deficiency of $64,346,234.52, payable from ordinary receipts, being included in the ordinary expenditures for 1922 hereinbefore mentioned. The estimated expenditures from postal revenues during 1923 are $559,996,841.69, an estimated deficiency of $31,502,570.76 being included in the estimated ordinary expenditures for 1923. The estimated expenditures from postal revenues for 1924 are $584,653,151.50, and it is estimated that through proper readjustments there will be a surplus of postal revenue over expenditures amounting to $952,439.56 for that year.

That we approach the commencement of the fiscal year 1924 with an estimated surplus for that year of $180,969,125 is certainly most encouraging. While I am hopeful that there will be no deficit in the current fiscal year, 1923, if such a deficit does occur, this surplus for 1924 will give a margin to take care of it.

Successful management of the public debt in the transactions involving large refunding operations is essential to the public credit and closely related to successful budget operations. The Treasury Department has been carrying out a program of orderly funding and gradual liquidation of the public debt. On June 30, 1922, the gross public debt was $22,963,381,708.31, as compared with $23,977,450,552.54 on June 30, 1921, showing a reduction of $1,014,068,844.23 during the fiscal year 1922. This reduction was accomplished through the following means: First, in the amount of $422,694,600, through the cumulative sinking fund and other public debt expenditures payable from certain specific receipts; second, in the amount of $277,572,593.13, through the reduction in the net balance in the general fund of the Treasury; and, third, in the amount of $313,801,651.10, through the surplus of ordinary receipts over expenditures for the year.

On April 30, 1921, the short-term outstanding debt maturing before June 30, 1923, was more than $7,500,000,000, which through the reductions referred to and refunding operations was reduced to about $4,500,000,000 on June 30, 1922, and up to November 15, 1922, this amount had been further reduced to approximately $3,000,000,000. These refunding operations have involved the issue on October 16, 1922, of approximately $750,000,000 long-term bonds and the issue of Treasury notes aggregating $2,743,334,000 maturing as follows: $701,897,700 during 1924, $936,727,700 during 1925, and $1,104,708,600 during 1926. These refunding operations are carried on for the purpose of changing the maturity date of public debt obligations and thus to avoid the necessity for meeting obligations of many billions of dollars at one time. The resulting distribution of maturities does not indicate a reduction in the total of such obligations.

We now come to the estimates of appropriations for 1924, amounting to $3,078,940,331.69. This is $195,298,359.14 less than the appropriations already made for the current fiscal year, 1923. Early in July I called together in open meeting for the third time the executives constituting the business establishment of the Government and at that time further emphasized the need of more rigid economy on the expenditure of public funds. I stated that the estimated receipts for the fiscal year 1924 would not permit so liberal appropriations for that year as had been made for the current fiscal year, 1923. The preparation of the estimates of appropriations as they appear in the budget was controlled by this policy. While it may be possible to make a small reduction in an item here and there, any material reduction will necessitate a change in the administrative policy upon which estimates of appropriations for the fiscal year 1924 are based. I am giving below a comparative statement of the estimates of appropriations for 1924 and appropriations for 1923:

COMPARATIVE STATEMENT OF ESTIMATES OF APPROPRIATIONS FOR 1924 AND APPROPRIATIONS FOR 1923.

	Estimates of appropriations, 1924	Appropriations, 1923
Legislative establishment	$14,418,912.60	$14,504,164.95
Executive office	382,850.00	396,595.00
Special repairs, Executive Mansion	25,000.00	....
Independent offices:		
Civil Service Commission	877,295.00	807,911.00
Employees' Compensation Commission	2,432,740.00	2,660,306.00
Federal Board for Vocational Education	6,427,000.00	5,932,000.00
Federal Trade Commission	955,000.00	955,600.00
General Accounting Office	3,361,163.00	3,922,418.00
Housing Corporation	870,450.00	1,056,425.00
Interstate Commerce Commission	4,514,500.00	5,361,462.00
Shipping Board and Emergency Fleet Corporation	50,411,500.00	100,459,000.00
State, War, and Navy Department Buildings	1,707,230.00	3,771,950.00
Tariff Commission	700,000.00	345,000.00
United States Veterans' Bureau	440,313,000.00	422,077,323.45
Other Independent Offices	1,874,780.74	2,287,884.00
Department of Agriculture	81,251,613.00	62,412,036.00
Department of Commerce	19,715,535.00	20,618,496.20
Department of the Interior	316,207,752.00	327,514,157.10
Department of Justice	18,751,056.00	18,631,205.00
Department of Labor	6,203,556.00	7,490,188.11
Navy Department	296,934,025.00	298,324,265.25
Post Office Department, payable from the Treasury	....	14,600.00
State Department	15,058,237.79	11,095,200.66
Treasury Department	148,888,862.28	160,627,265.44
War Department, including Panama Canal	326,517,300.28	346,894,386.87
District of Columbia	25,043,973.00	25,990,050.80
Ordinary	1,783,843,331.69	1,844,149,890.83
Reduction in principal of the public debt:		
Sinking fund	298,872,000.00	283,838,800.00
Purchase of Liberty bonds from foreign repayments	31,225,000.00	31,250,000.00
Redemption of bonds and notes from estate taxes	5,000,000.00	5,000,000.00
Redemption of securities from Federal reserve bank franchise tax receipts	10,000,000.00	10,000,000.00
Principal of the public debt	345,097,000.00	330,088,800.00
Interest on the public debt	950,000,000.00	[1] 1,100,000,000.00
Total payable from the Treasury	3,078,940,331.69	3,274,238,690.83
Post Office Department and Postal Service, payable from postal revenues	590,166,191.50	564,524,766.50
Total, including Post Office Department and Postal Service	$3,669,106,523.19	$3,838,763,457.33

[1] Including $125,000,000 discount accruals of war savings stamps, series of 1918, due Jan. 1, 1923.

Statement No. 8 of the budget gives a functional classification of the estimates for the fiscal year 1924, which will be found interesting and informative, showing as it does the approximate amounts devoted to important Government activities and interests. This classification has four general divisions—general functions, military functions, civil functions, and a grouping of the nonfunctional appropriations.

It will be found that a total of $103,070,886 is carried for general functions, which include the legislative, judicial, executive, and the general administrative operations of the Government which can not be allocated to specific civil functions.

The sum of $1,256,715,939 is provided for military functions, which include military pensions, retirement pay, annuities and World War allowances, and national defense.

The amount recommended for national defense is divided into two classes: Army, $256,552,887; Navy, $289,880,993.

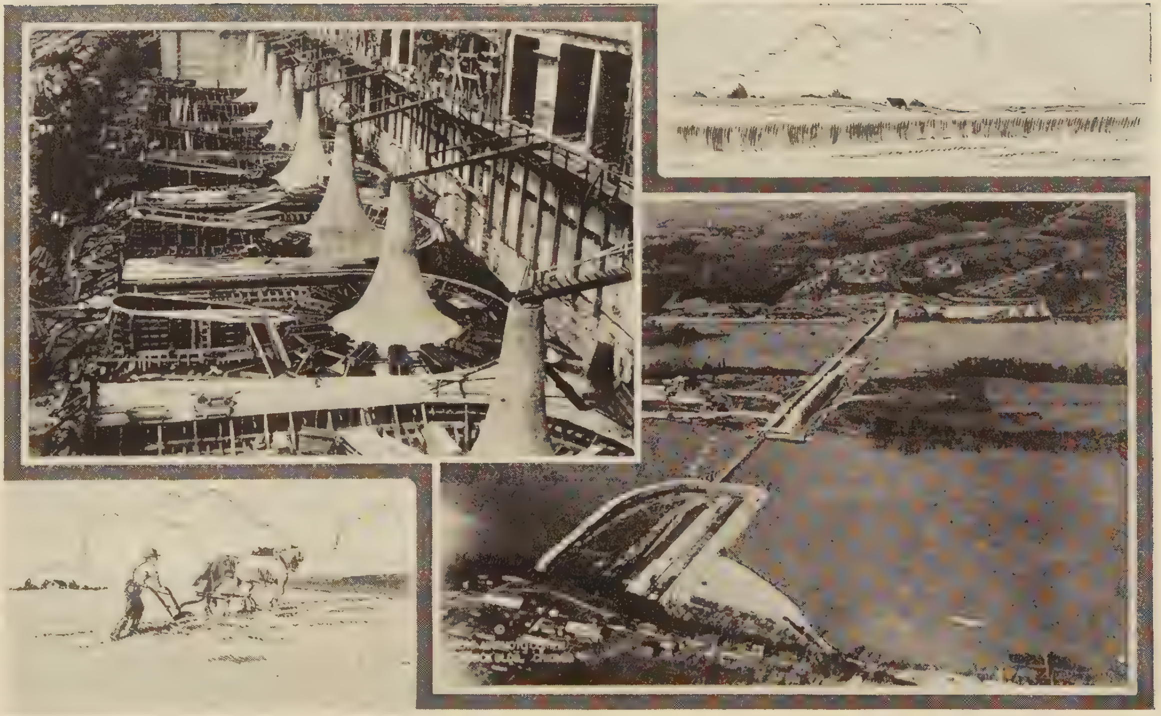
The amount recommended for the maintenance and operation of the Army will provide for a Regular Army of 12,000 officers and 125,000 enlisted men, exclusive of the Philippine Scouts, which is the force now authorized by Congress; will provide for the training of 15,000 reserve officers for a period of 15 days and for 150 for a period of three months, as against a total of only 5,000 for 15 days during the current fiscal year; will provide for the attendance of 38,000 men at civilian military training camps as against 27,000 during this current fiscal year; and will enable the Militia Bureau to increase the strength of the National Guard from 160,000 officers and men—the strength on June 30, 1922—to 215,000 officers and men. While no increase in the number of students enrolled at Reserve Officers' Training Corps units at schools and colleges—now totaling 96,000 students in 225 institutions—is provided, the funds recommended, however, will enable a larger number of these students to be given both basic and advance courses of instruction.

The funds recommended will provide for all essentials connected with the upkeep of all military posts, camps and stations, the Army Transport Service, the coast defenses of the United States, Panama and insular possessions, and other military activities, and, in addition, allow $3,166,767 for new construction at military posts and $750,000 toward the replacement of worn-out portions of the Alaska cable. For the Air Service the amount recommended is $12,871,500, which is $23,500 less than the 1923 appropriation, and will permit this service to operate efficiently in accordance with existing policy. For the United States Military Academy at West Point $2,066,428 is recommended, an increase of $6,799 over 1923.

The amount recommended for the Navy will provide for the present enlisted personnel of 86,000 men; will maintain all present ships in

MUSCLE SHOALS NITRATE PLANT

The story of the great nitrate plant partially built by the Government during the World War on the Tennessee River, as well as the details of the offer for the plant made by Henry Ford, the Detroit automobile manufacturer, is presented in the Encyclopedic Index under "Muscle Shoals." On page 6777, President Roosevelt tells why he refused to grant water power rights at Muscle Shoals to a private corporation. The illustration shows the great Wilson Dam, one panel showing the giant concrete cones designed to turn turbines and the other showing a view of the Dam taken at a height of one thousand feet.



© Wide World Photos.

WILSON DAM, MUSCLE SHOALS

commission; will increase the steaming radius of capital ships from 13,080 miles to 16,200 miles, and other ships proportionately; will provide training for 2,000 officers and 7,000 men in the Naval Reserve; and will make provision for continuing all new ship construction in privately owned yards, except for reduction in speed of construction on three light cruisers; for suspending the construction of four auxiliaries in navy yards and reducing the speed of construction on two fleet submarines.

The amount provided in the budget for military pensions and allowances includes $253,000,000 for pensions, $434,584,050 for World War allowances, and $20,389,289 for retirement pay.

The amount recommended for civil functions totals $953,599,096. Under this general function $14,587,167 is allowed for foreign relations and protection of American interests abroad; $18,553,686 for general law enforcement, which includes activities having to do with the enforcement of general laws and the administration and enforcement of special acts like the national prohibition act, the narcotic act, and the investigation and prosecution of war-contract frauds; $7,199,000 for the control of currency and banking; $12,584,305 for the administration of Indian affairs; $17,582,018 for the administration of public domain, which includes those activities of the Government having to do with the care and utilization of public lands and the care and utilization of national forests; $11,391,909 for the promotion and regulation of commerce and industry, which includes the activities of the Tariff Commission, the Federal Trade Commission, the Patent Office, and those activities of the Departments of Agriculture and Commerce having to do with the promotion and regulation of commerce and industry; $79,491,995 for the promotion, regulation and operation of marine transportation, which includes $50,411,500 for the Shipping Board and Emergency Fleet Corporation; $4,514,900 for the promotion and regulation of land transportation; $590,171,942 for the Postal Service and land telegraph and telegraphic communication, which includes $590,166,192 for the Postal Service; $24,876,799 for the promotion and regulation of agriculture; $1,244,090 for the promotion and regulation of fisheries; $4,718,030 for the promotion of labor interests; $3,871,210 for immigration and naturalization; $15,877,339 for promotion of public health; $10,151,060 for promotion of public education; $10,619,456 for science and research; $29,563,110 for local government, including the District of Columbia; and $228,050 for civil relief.

For public works, under civil functions, $96,197,030 is carried, which includes $41,764,550 for rivers and harbors proper and items of similar character; $31,480,000 for roads; $6,889,105 for Panama Canal; $4,750,000 for Reclamation Service; $2,200,000 for railroads in Alaska; $5,728,950 for hospital construction and facilities for war patients, and $3,384,425 for other public improvements and Government plant additions.

Under nonfunctional appropriations is carried a total of $1,355,270,602, which includes $36,187,059 for refunds, losses, contingencies, and miscellaneous; $345,097,000 for public-debt retirements payable from ordinary receipts; $950,000,000 for interest on the public debt, and $24,436,543 for disbursement of trust funds.

It seems appropriate here to consider the course of the retrenchment policy of the Government since the fiscal year ending June 30, 1919, the year in which the armistice was signed. Exclusive of expenditures made in the reduction of the public debt, the total expenditures for the fiscal year ending June 30, 1920, were $6,403,343,841.21. The expenditures for the fiscal year ending June 30, 1921, including $422,281,500 on account of reduction of the public debt payable from ordinary receipts, under the new cumulative sinking fund, were $5,538,209,189.30. This was further reduced for the fiscal year ending June 30, 1922, to $3,795,302,499.84. As I have previously stated, the estimated expenditures for 1923 are $3,703,801,671, while the budget for 1924 estimates the expenditures at $3,180,843,234 for that year. These figures show a most satisfactory reduction in the expenditure of public moneys since 1919.

Can there be any reasonable expectation for further reduction in governmental expenditures in the near future? This question is no doubt upon the lips of many. The burden of taxation caused by the World War has borne heavily upon us all, and it has been the earnest desire of the Government to reduce this burden to the minimum consistent with a proper functioning of the Federal service. We have seen, however, that approximately two-thirds of the taxes collected go to pay certain fixed charges, over the expenditure of which there can be exercised little or no administrative control. The interest on the public debt, the chief of the fixed charges, must be paid. This will be $950,000,000 for the fiscal year 1924, constituting nearly one-third of the total expenditures of the Government. Among these are also certain permanent and indefinite appropriations for various purposes and certain large annual appropriations sanctioned by law and by public opinion.

After deducting these items there is left, as has been shown, approximately only $1,000,000,000, out of which these normal operating expenses of the Government must be paid. It is against this group of expenditures that the retrenchment policy of the Government has been directed. Never before in our financial history has there been such close scrutiny on the part of both the Executive and the Congress of every item which contemplates expenditures for the support of the

Government. Not only have the departments themselves set up agencies of control both in the preparation of their estimates and over their expenditures, but the pressure of the Executive has been directed toward effecting economies in these ordinary governmental operations.

A reduction in expenditures would undoubtedly result from a reorganization of the departments and establishments upon a more scientific basis, but we can not look to this alone to effect such a material reduction in cost of Government operation as would justify the expression of hope for a considerable lessening of expenditures in the years to come.

There is, however, another field of Government operation—a rapidly broadening field of Government expenditure—which may be discussed with profit to us all. I refer to expenditures which are being made from appropriations for Federal aid in lines of research, improvement, and development which, while having no direct connection with the operations of the business of government, have grown to become a recognized part of its activities. It is not easy, therefore, to divorce from our minds the fact that considerable of the moneys appropriated for the Government are spent for those things which do not pertain to the normal functions or operations of the business of government. There is question as to how far the Government should participate in these extraneous activities, and I am frank to say that an answer to the question as to whether we can look forward to any further material reduction in the expenditures of the Government in future years depends largely upon whether or not there will be a curtailment of expansion of these activities, which have already added greatly to the annual drafts upon the Treasury of the United States. These extraneous activities have flowed from the laws enacted pursuant to popular demand, and I take this occasion to refer to them for the purpose of showing that the taxation which necessarily results in providing funds to meet them is a necessary incident to the fulfillment of the popular demand.

In the efforts which have been directed to reducing public expenditures I have been much concerned in apparent increasing state, county, and municipal indebtedness, and I am fearful lest this condition may be in part attributable to the expenditures made by the Government pursuant to its federal aid laws, as many of these laws require state contributions as a prerequisite to the extension of the federal aid. Certainly an expression by the Government that it is willing to bear a proportionate part of the cost of certain aid work is an incentive to the states to contribute their share, and it is only natural that this should lead to the increasing state, county, and municipal indebtedness.

In adapting its procedure to the needs of the new budget system, I fully realize the far-reaching changes which Congress made in its organization. While the Budget Bill was pending, the House, in anticipation of its final enactment, changed its rules in order to centralize authority and responsibility over appropriation measures; and, further, when the President last year transmitted the budget, prepared according to the form and contents of the old Book of Estimates, and an alternative budget, prepared according to a logical grouping of governmental services, the House forthwith adopted the alternative budget and changed the form of the appropriation bills to conform to the chapters of such alternative budget. This was a change of far-reaching importance. Following the action of the House, the Senate reorganized its committee system for the consideration of appropriation bills, centralizing authority and responsibility in its Committee on Appropriations.

The President has received from Congress during this formative period of the budget system the most hearty cooperation at all times. Many conferences with the Appropriations Committees of the House and Senate were necessary in order to establish the form of the budget. We were working in virgin soil, establishing new methods of financial procedure. I am glad to say that no important step has been taken by the Executive, even though the matter involved might be of purely executive concern, without first discussing the matter with your Appropriations Committees, and I desire to express my appreciation of the helpful spirit always evidenced by them whenever we had occasion to come together for the mutual consideration of questions of budgetary principle or procedure. I may say without fear of exaggeration that we have been during the past two years colaborers in the greatest reform in our financial history. WARREN G. HARDING.

SECOND ANNUAL ADDRESS TO CONGRESS

[December 8, 1922.]

MEMBERS OF THE CONGRESS:

So many problems are calling for solution that a recital of all of them, in the face of the known limitations of a short session of Congress, would seem to lack sincerity of purpose. It is four years since the World War ended, but the inevitable readjustment of the social and economic order is not more than barely begun. There is no acceptance of pre-war conditions anywhere in the world. In a very general way humanity harbors individual wishes to go on with war-time compensations for production, with pre-war requirements in expenditure. In short, everyone, speaking broadly, craves readjustment for everybody except himself, while there can be no just and permanent readjustment except when all participate.

The civilization which measured its strength of genius and the power of science and the resources of industries, in addition to testing the limits of man power and the endurance and heroism of men and women—that same civilization is brought to its severest test in restoring a tranquil order and committing humanity to the stable ways of peace.

If the sober and deliberate appraisal of pre-war civilization makes it seem a worth-while inheritance, then with patience and good courage it will be preserved. There never again will be precisely the old order; indeed, I know of no one who thinks it to be desirable. For out of the old order came the war itself, and the new order, established and made secure, never will permit its recurrence.

It is no figure of speech to say we have come to the test of our civilization. The world has been passing—is to-day passing—through a great crisis. The conduct of war itself is not more difficult than the solution of the problems which necessarily follow. I am not speaking at this moment of the problem in its wider aspect of world rehabilitation or of international relationships. The reference is to our own social, financial, and economic problems at home. These things are not to be considered solely as problems apart from all international relationship, but every nation must be able to carry on for itself, else its international relationship will have scant importance.

Doubtless our own people have emerged from the World War tumult less impaired than most belligerent powers; probably we have made larger progress toward reconstruction. Surely we have been fortunate in diminishing unemployment, and our industrial and business activities, which are the lifeblood of our material existence, have been restored as in no other reconstruction period of like length in the history of the world. Had we escaped the coal and railway strikes, which had no excuse for their beginning and less justification for their delayed settlement, we should have done infinitely better. But Labor was insistent on holding to the war heights, and heedless forces of reaction sought the pre-war levels, and both were wrong. In the folly of conflict our progress was hindered, and the heavy cost has not yet been fully estimated. There can be neither adjustment nor the penalty of the failure to readjust in which all do not somehow participate.

The railway strike accentuated the difficulty of the American farmer. The first distress of readjustment came to the farmer, and it will not be a readjustment fit to abide until he is relieved. The distress brought to the farmer does not affect him alone. Agricultural ill fortune is a national ill fortune. That one-fourth of our population which produces the food of the republic and adds so largely to our export commerce must participate in the good fortunes of the nation, else there is none worth retaining.

Agriculture is a vital activity in our national life. In it we had our beginning, and its westward march with the star of the empire has reflected the growth of the republic. It has its vicissitudes which no legislation will prevent, its hardships for which no law can provide escape. But the Congress can make available to the farmer the financial facilities which have been built up under Government aid and supervision for other commercial and industrial enterprises. It may be done on the same solid fundamentals and make the vitally important agricultural industry more secure, and it must be done.

This Congress already has taken cognizance of the misfortune which precipitate deflation brought to American agriculture. Your measures of relief and the reduction of the federal reserve discount rate undoubtedly saved the country from widespread disaster. The very proof of helpfulness already given is the strongest argument for the permanent establishment of widened credits, heretofore temporarily extended through the War Finance Corporation.

The Farm Loan Bureau, which already has proven its usefulness through the Federal Land Banks, may well have its powers enlarged to provide ample farm production credits as well as enlarged land credits. It is entirely practical to create a division in the Federal Land Banks to deal with production credits, with the limitations of time so adjusted to the farm turnover as the Federal Reserve System provides for the turnover in the manufacturing and mercantile world. Special provision must be made for live-stock production credits, and the limit of land loans may be safely enlarged. Various measures are pending before you, and the best judgment of Congress ought to be expressed in a prompt enactment at the present session.

But American agriculture needs more than added credit facilities. The credits will help to solve the pressing problems growing out of war-inflated land values and the drastic deflation of three years ago, but permanent and deserved agricultural good fortune depends on better and cheaper transportation.

Here is an outstanding problem, demanding the most rigorous consideration of the Congress and the country. It has to do with more than agriculture. It provides the channel for the flow of the country's commerce. But the farmer is particularly hard hit. His market, so affected by the world consumption, does not admit of the price adjustment to meet carrying charges. In the last half of the year now closing the railways, broken in carrying capacity because of motive power and rolling stock out of order, though insistently declaring to the contrary, embargoed his shipments or denied him cars when fortunate markets were calling. Too frequently transportation failed while perishable products were turning from possible profit to losses counted in tens of millions.

I know of no problem exceeding in importance this one of transportation. In our complex and interdependent modern life transportation is essential to our very existence. Let us pass for the moment the menace in the possible paralysis of such service as we have and note the failure, for whatever reason, to expand our transportation to meet the nation's needs.

The census of 1880 recorded a population of 50,000,000. In two decades more we may reasonably expect to count thrice that number. In the three decades ending in 1920 the country's freight by rail increased from 631,000,000 tons to 2,234,000,000 tons; that is to say, while our population was increasing less than 70 per cent, the freight movement increased over 250 per cent.

We have built 40 per cent of the world's railroad mileage, and yet find it inadequate to our present requirements. When we contemplate the inadequacy of today it is easy to believe that the next few decades will witness the paralysis of our transportation-using social scheme or a complete reorganization on some new basis. Mindful of the tremendous costs of betterments, extensions, and expansions, and mindful of the staggering debts of the world today, the difficulty is magnified. Here is a problem demanding wide vision and the avoidance of mere makeshifts. No matter what the errors of the past, no matter how we acclaimed construction and then condemned operations in the past, we have the transportation and the honest investment in the transportation which sped us on to what we are, and we face conditions which reflect its inadequacy today, its greater inadequacy tomorrow, and we contemplate transportation costs which much of the traffic can not and will not continue to pay.

Manifestly, we have need to begin on plans to coordinate all transportation facilities. We should more effectively connect up our rail lines with our carriers by sea. We ought to reap some benefit from the hundreds of millions expended on inland waterways, proving our capacity to utilize as well as expand. We ought to turn the motor truck into a railway feeder and distributor instead of a destroying competitor.

It would be folly to ignore that we live in a motor age. The motor car reflects our standard of living and gauges the speed of our present-day life. It long ago ran down Simple Living, and never halted to inquire about the prostrate figure which fell as its victim. With full recognition of motor-car transportation we must turn it to the most practical use. It can not supersede the railway lines, no matter how generously we afford it highways out of the Public Treasury. If freight traffic by motor were charged with its proper and proportionate share of highway construction, we should find much of it wasteful and more costly than like service by rail. Yet we have paralleled the railways, a most natural line of construction, and thereby taken away from the agency of expected service much of its profitable traffic, which the taxpayers have been providing the highways, whose cost of maintenance is not yet realized.

The federal Government has a right to inquire into the wisdom of this policy, because the national Treasury is contributing largely to this highway construction. Costly highways ought to be made to serve as feeders rather than competitors of the railroads, and the motor truck should become a coordinate factor in our great distributing system.

This transportation problem can not be waived aside. The demand for lowered costs on farm products and basic materials can not be ignored. Rates horizontally increased, to meet increased wage outlays during the war inflation, are not easily reduced. When some very moderate wage reductions were effected last summer there was a 5 per cent horizontal reduction in rates. I sought at that time, in a very informal way, to have the railway managers go before the Interstate Commerce Commission and agree to a heavier reduction on farm products and coal and other basic commodities, and leave unchanged the freight tariffs which a very large portion of the traffic was able to bear. Neither the managers nor the commission saw fit to adopt the suggestion, so we had the horizontal reduction too slight to be felt by the higher class cargoes and too little to benefit the heavy tonnage calling most loudly for relief.

Railways are not to be expected to render the most essential service in our social organization without a fair return on capital invested, but the Government has gone so far in the regulation of rates and rules of operation that it has the responsibility of pointing the way to the reduced freight costs so essential to our national welfare.

Government operation does not afford the cure. It was Government operation which brought us to the very order of things against which we now rebel, and we are still liquidating the costs of that supreme folly.

Surely the genius of the railway builders has not become extinct among the railway managers. New economies, new efficiencies in cooperation must be found. The fact that labor takes 50 to 60 per cent of total railway earnings makes limitations within which to effect economies very difficult, but the demand is no less insistent on that account.

Clearly the managers are without that intercarrier, cooperative relationship so highly essential to the best and most economical operation. They could not function in harmony when the strike threatened the paralysis of all railway transportation. The relationship of the service to public welfare, so intimately affected by State and Federal regulation, demands the effective correlation and a concerted drive to meet an insistent and justified public demand.

The merger of lines into systems, a facilitated interchange of freight cars, the economic use of terminals, and the consolidation of facilities are suggested ways of economy and efficiency.

I remind you that Congress provided a Joint Commission of Agricultural Inquiry which made an exhaustive investigation of car service and transportation, and unanimously recommended in its report of October 15, 1921, the pooling of freight cars under a central agency. This report well deserves your serious consideration. I think well of the central agency, which shall be a creation of the railways themselves, to provide, under the jurisdiction of the Interstate Commerce Commission, the means for financing equipment for carriers which are otherwise unable to provide their proportion of car equipment adequate to transportation needs. This same agency ought to point the way to every possible economy in maintained equipment and the necessary interchange in railway commerce.

In a previous address to the Congress I called to your attention the insufficiency of powers to enforce the decisions of the Railroad Labor Board. Carriers have ignored its decisions, on the one hand; railway workmen have challenged its decisions by a strike on the other hand.

The intent of Congress to establish a tribunal to which railway labor and managers may appeal respecting questions of wages and working conditions can not be too strongly commended. It is vitally important that some such agency should be a guaranty against suspended operation. The public must be spared even the threat of discontinued service.

Sponsoring the railroads as we do, it is an obligation that labor shall be assured the highest justice and every proper consideration of wage and working conditions, but it is an equal obligation to see that no concerted action in forcing demands shall deprive the public of the transportation service essential to its very existence. It is now impossible to safeguard public interest, because the decrees of the board are unenforceable against either employer or employee.

The Labor Board itself is not so constituted as best to serve the public interest. With six partisan members on a board of nine, three partisans nominated by the employees and three by the railway managers, it is inevitable that the partisan viewpoint is maintained throughout hearings and in decisions handed down. Indeed, the few exceptions to a strictly partisan expression in decisions thus far rendered have been followed by accusations of betrayal of the partisan interests represented. Only the public group of three is free to function in unbiased decisions. Therefore the partisan membership may well be abolished, and decisions should be made by an impartial tribunal.

I am well convinced that the functions of this tribunal could be much better carried on here in Washington. Even were it to be continued as a separate tribunal, there ought to be contact with the Interstate Commerce Commission, which has supreme authority in the rate making to which wage cost bears an indissoluble relationship. Theoretically, a fair and living wage must be determined quite apart from the employer's earning capacity, but in practice, in the railroad service, they are inseparable. The record of advanced rates to meet increased wages, both determined by the Government, is proof enough.

The substitution of a labor division in the Interstate Commerce Commission, made up from its membership, to hear and decide disputes relating to wages and working conditions which have failed of adjustment by proper committees created by the railways and their employees, offers a more effective plan.

It need not be surprising that there is dissatisfaction over delayed hearings and decisions by the present board when every trivial dispute is carried to that tribunal. The law should require the railroads and their employees to institute means and methods to negotiate between themselves their constantly arising differences, limiting appeals to the Government tribunal to disputes of such character as are likely to affect the public welfare.

This suggested substitution will involve a necessary increase in the membership of the commission, probably four, to constitute the labor division. If the suggestion appeals to the Congress, it will be well to specify that the labor division shall be constituted of representatives of the four rate-making territories, thereby assuring a tribunal conversant with the conditions which obtain in the different rate-making sections of the country.

I wish I could bring to you the precise recommendation for the prevention of strikes which threaten the welfare of the people and menace public safety. It is an impotent civilization and an inadequate government which lacks the genius and the courage to guard against such a menace to public welfare as we experienced last summer. You were aware of the Government's great concern and its futile attempt to aid in an adjustment. It will reveal the inexcusable obstinacy which was responsible for so much distress to the country to recall now that, though all disputes are not yet adjusted, the many settlements which have been made were on the terms which the Government proposed in mediation.

Public interest demands that ample power shall be conferred upon the labor tribunal, whether it is the present board or the suggested substitute, to require its rulings to be accepted by both parties to a disputed question.

Let there be no confusion about the purpose of the suggested conferment of power to make decisions effective. There can be no denial of constitutional right of either railway workmen or railway managers. No man can be denied his right to labor when and how he chooses, or cease to labor when he so elects, but, since the Government assumes to safeguard his interests while employed in an essential public service, the security of society itself demands his retirement from the service shall not be so timed and related as to effect the destruction of that service. This vitally essential public transportation service, demanding so much of brain and brawn, so much for efficiency and security, ought to offer the most attractive working conditions and the highest wages paid to workmen in any employment.

In essentially every branch, from track repairer to the man at the locomotive throttle, the railroad worker is responsible for the safety of human lives and the care of vast property. His high responsibility might well rate high his pay within the limits the traffic will bear; but the same responsibility, plus governmental protection, may justly deny him and his associates a withdrawal from service without a warning or under circumstances which involve the paralysis of necessary transportation. We have assumed so great a responsibility in necessary regulations that we unconsciously have assumed the responsibility for maintained service; therefore the lawful power for the enforcement of decisions is necessary to sustain the majesty of government and to administer to the public welfare.

During its longer session the present Congress enacted a new tariff law. The protection of the American standards of living demanded the insurance it provides against the distorted conditions of world commerce. The framers of the law made provision for a certain flexibility of customs duties, whereby it is possible to readjust them as developing conditions may require. The enactment has imposed a large responsibility upon the Executive, but that responsibility will be discharged with a broad mindfulness of the whole business situation. The provision itself admits either the possible fallibility of rates or their unsuitableness to changing conditions. I believe the grant of authority may be promptly and discreetly exercised, ever mindful of the intent and purpose to safeguard American industrial activity, and at the same time prevent the exploitation of the American consumer and keep open the paths of such liberal exchanges as do not endanger our own productivity.

No one contemplates commercial aloofness nor any other aloofness contradictory to the best American traditions or loftiest human purposes. Our fortunate capacity for comparative self-containment affords the firm foundation on which to build for our own security, and a like foundation on which to build for a future of influence and importance in world commerce. Our trade expansion must come of capacity and of policies of righteousness and reasonableness in all our commercial relations.

Let no one assume that our provision for maintained good fortune at home, and our unwillingness to assume the correction of all the ills of the world, means a reluctance to cooperate with other peoples or to assume every just obligation to promote human advancement anywhere in the world.

War made us a creditor nation. We did not seek an excess possession of the world's gold, and we have neither desire to profit unduly by its possession nor permanently retain it. We do not seek to become an international dictator because of its power.

The voice of the United States has a respectful hearing in international councils, because we have convinced the world that we have no selfish ends to serve, no old grievances to avenge, no territorial or other greed to satisfy. But the voice being heard is that of good counsel, not of dictation. It is the voice of sympathy and fraternity and helpfulness, seeking to assist but not assume for the United States burdens which nations must bear for themselves. We would rejoice to help rehabilitate currency systems and facilitate all commerce which does not drag us to the very levels of those we seek to lift up.

While I have everlasting faith in our republic, it would be folly, indeed, to blind ourselves to our problems at home. Abusing the hospitality of our shores are the advocates of revolution, finding their deluded followers among those who take on the habiliments of an American without knowing an American soul. There is the recrudescence of hyphenated Americanism which we thought to have been stamped out when we committed the nation, life and soul, to the World War.

There is a call to make the alien respect our institutions while he accepts our hospitality. There is need to magnify the American viewpoint to the alien who seeks a citizenship among us. There is need to magnify the national viewpoint to Americans throughout the land. More, there is a demand for every living being in the United States to respect and abide by the laws of the republic. Let men who are rending the moral fiber of the republic through easy contempt for the prohibition law, because they think it restricts their personal liberty, remember that they set the example and breed a contempt for law which will ultimately destroy the republic.

Constitutional prohibition has been adopted by the nation. It is the supreme law of the land. In plain speaking, there are conditions relating to its enforcement which savor of nation-wide scandal. It is the most demoralizing factor in our public life.

Most of our people assumed that the adoption of the Eighteenth Amendment meant the elimination of the question from our politics. On the contrary, it has been so intensified as an issue that many voters are disposed to make all political decisions with reference to this single question. It is distracting the public mind and prejudicing the judgment of the electorate.

The day is unlikely to come when the Eighteenth Amendment will be repealed. The fact may as well be recognized and our course adapted accordingly. If the statutory provisions for its enforcement are contrary to deliberate public opinion, which I do not believe, the rigorous and literal enforcement will concentrate public attention on any requisite modificaton. Such a course conforms with the law and saves the humiliation of the Government and the humiliation of our people before the world, and challenges the destructive forces engaged in widespread violation, official corruption, and individual demoralization.

The Eighteenth Amendment involves the concurrent authority of state and federal Governments, for the enforcement of the policy it defines. A certain lack of definiteness, through division of responsibility, is thus introduced. In order to bring about a full understanding of duties and responsibilities as thus distributed, I purpose to invite the governors of the states and territories, at an early opportunity, to a conference with the federal Executive authority. Out of the full and free considerations which will thus be possible, it is confidently believed, will emerge a more adequate comprehension of the whole problem, and definite policies of national and state cooperation in administering the laws.

There are pending bills for the registration of the alien who has come to our shores. I wish the passage of such an act might be expedited. Life amid American opportunities is worth the cost of registration if it is worth the seeking, and the nation has the right to know who are citizens in the making or who live among us and share our advantages while seeking to undermine our cherished institutions. This provision will enable us to guard against the abuses in immigration, checking the undesirable whose irregular coming is his first violation of our laws. More, it will facilitate the needed Americanizing of those who mean to enroll as fellow citizens.

Before enlarging the immigration quotas we had better provide registration for aliens, those now here or continually pressing for admission, and establish our examination boards abroad, to make sure of desirables only. By the examination abroad we could end the pathos at our ports, when men and women find our doors closed, after long voyages and wasted savings, because they are unfit for admission. It would be kindlier and safer to tell them before they embark.

Our program of admission and treatment of immigrants is very intimately related to the educational policy of the republic. With illiteracy estimated at from two-tenths of one per cent to less than two per cent in ten of the foremost nations of Europe, it rivets our attention to a serious problem when we are reminded of a six per cent illiteracy in the United States. The figures are based on the test which defines an illiterate as one having no schooling whatever. Remembering the wide freedom of our public schools, with compulsory attendance in many states in the Union, one is convinced that much of our excessive illiteracy comes to us from abroad, and the education of the immigrant becomes a requisite to his Amercanization. It must be done if he is fittingly to exercise the duties as well as enjoy the privileges of American citizenship. Here is revealed the special field for federal cooperation in furthering education.

From the very beginning public education has been left mainly in the hands of the states. So far as schooling youth is concerned the policy has been justified, because no responsibility can be so effective as that of the local community alive to its task. I believe in the cooperation of the national authority to stimulate, encourage, and broaden the work of the local authorities. But it is the especial obligation of the federal Government to devise means and effectively assist in the education of the newcomer from foreign lands, so that the level of American education may be made the highest that is humanly possible.

Closely related to this problem of education is the abolition of child labor. Twice Congress has attempted the correction of the evils incident to child employment. The decision of the Supreme Court has put this problem outside the proper domain of federal regulation until the Constitution is so amended as to give the Congress indubitable authority. I recommend the submisson of such an amendment.

We have two schools of thought relating to an amendment of the Constitution. One need not be committed to the belief that amendment is weakening the fundamental law, or that excessive amendment is essential to meet every ephemeral whim. We ought to amend to meet the demands of the people when sanctioned by deliberate public opinion.

One year ago I suggested the submission of an amendment so that we may lawfully restrict the issues of tax-exempt securities, and I renew that recommendaton now. Tax-exempt securities are drying up the sources of federal taxation and they are encouraging unproductive and extravagant expenditures by states and municipalities. There is more than the menace in mounting public debt, there is the dissipation of capital which should be made available to the needs of productive industry. The proposed amendment will place the state and federal Governments and all political subdivisions on an exact equality, and will correct the growing menace of public borrowing, which if left unchecked may soon threaten the stability of our institutions.

We are so vast and so varied in our national interests that scores of problems are pressing for attention. I must not risk the wearying of your patience with detailed reference.

Reclamation and irrigation projects, where waste land may be made available for settlement and productivity, are worthy of your favorable consideration.

When it is realized that we are consuming our timber four times as rapidly as we are growing it, we must encourage the greatest possible cooperation between the federal Government, the various states, and the owners of forest lands, to the end that protection from fire shall be made more effective and replanting encouraged.

The fuel problem is under study now by a very capable fact-finding commission, and any attempt to deal with the coal problem, of such deep concern to the entire nation, must await the report of the commission.

There are necessary studies of great problems which Congress might well initiate. The wide spread between production costs and prices which consumers pay concerns every citizen of the republic. It contributes very largely to the unrest in agriculture and must stand sponsor for much against which we inveigh in that familiar term—the high cost of living.

No one doubts the excess is traceable to the levy of the middleman, but it would be unfair to charge him with all responsibility before we appraise what is exacted of him by our modernly complex life. We have attacked the problem on one side by the promotion of cooperative marketing, and we might well inquire into the benefits of cooperative buying. Admittedly, the consumer is much to blame himself, because of his prodigal expenditure and his exaction of service, but Government might well serve to point the way of narrowing the spread of price, especially between the production of food and its consumption.

A superpower survey of the eastern industrial region has recently been completed, looking to unification of steam, water, and electric powers, and to a unified scheme of power distribution. The survey proved that vast economies in tonnage movement of freights, and in the efficiency of the railroads, would be effected if the superpower program were adopted. I am convinced that constructive measures calculated to promote such an industrial development—I am tempted to say, such an industrial revolution—would be well worthy the careful attention and fostering interest of the national Government.

The proposed survey of a plan to draft all the resources of the republic, human and material, for national defense may well have your approval. I commended such a program in case of future war, in the inaugural address of March 4, 1921, and every experience in the adjustment and liquidation of war claims and the settlement of war obligations persuades me we ought to be prepared for such universal call to armed defense.

I bring you no apprehension of war. The world is abhorrent of it, and our own relations are not only free from every threatening cloud, but we have contributed our larger influence toward making armed conflict less likely.

Those who assume that we played our part in the World War and later took ourselves aloof and apart, unmindful of world obligations, give scant credit to the helpful part we assume in international relationships.

Whether all nations signatory ratify all the treaties growing out of the Washington Conference on Limitation of Armament or some withhold approval, the underlying policy of limiting naval armament has the sanction of the larger naval powers, and naval competition is suspended. Of course, unanimous ratification is much to be desired.

The Four-Power Pact, which abolishes every probability of war on the Pacific, has brought new confidence in a maintained peace, and I can well believe it might be made a model for like assurances wherever in the world any common interests are concerned.

We have had expressed the hostility of the American people to a supergovernment or to any commitment where either a council or an assembly of leagued powers may chart our course. Treaties of armed alliance can have no likelihood of American sanction, but we believe in respecting the rights of nations, in the value of conference and consultation, in the effectiveness of leaders of nations looking each other in the face before resorting to the arbitrament of arms.

It has been our fortune both to preach and promote international understanding. The influence of the United States in bringing near the settlement of an ancient dispute between South American nations is added proof of the glow of peace in ample understanding. In Washington to-day are met the delegates of the Central American nations, gathered at the table of international understanding, to stabilize their republics and remove every vestige of disagreement. They are met here by our invitation, not in our aloofness, and they accept our hospitality because they have faith in our unselfishness and believe in our helpfulness. Perhaps we are selfish in craving their confidence and friendship, but such a selfishness we proclaim to the world, regardless of hemisphere, or seas dividing.

I would like the Congress and the people of the nation to believe that in a firm and considerate way we are insistent on American rights wherever they may be questioned, and deny no rights of others in the assertion of our own. Moreover we are cognizant of the world's struggles for full readjustment and rehabilitation, and we have shirked no duty which comes of sympathy, of fraternity, or highest fellowship among nations. Every obligation consonant with American ideals and sanctioned under our form of government is willingly met. When we can not support we do not demand. Our constitutional limitations do not forbid the exercise of a moral influence, the measure of which is not less than the high purposes we have sought to serve.

After all there is less difference about the part this great republic shall play in furthering peace and advancing humanity than in the manner of playing it. We ask no one to assume responsibility for us; we assume no responsibility which others must bear for themselves, unless nationality is hopelessly swallowed up in internationalism.

LETTER

[Opposition to Calling an International Economic Conference.]

THE WHITE HOUSE, *December 27, 1922.*

My dear Senator Lodge:

Replying to your inquiry relative to the proposed amendment to the pending naval bill authorizing and requesting the President to call an economic conference to deal with conditions in the war-torn nations of Europe I write to say that I know of no prohibition against such an expression on the part of the Congress, but I do frankly question the desirability of such an expression. I think it is undesirable because of the false impressions which may be conveyed thereby to Europe, and even more undesirable because of the wrong impression it conveys to our own people.

On the face of things it is equivalent to saying that the executive branch of the Government, which is charged with the conduct of foreign relations, is not fully alive to a world situation which is of deep concern to the United States. As a matter of fact, the European economic situation has been given most thorough and thoughtful consideration for many months. Without questioning the good faith of the proposal I am very sure it would have been more seemly, and the action of the Congress could be taken much more intelligently, if proper inquiry had been made of the State Department relative to the situation in which we are trying to be helpful.

Of necessity the communications of the State Department relative to delicate matters among nations can not be bulletined from day to day, but the situation is never withheld from Members of Congress who choose to inquire for confidential information in a spirit of cooperation. Such inquiry would have revealed the futility of any conference called until it is understood that such a conference would be welcomed by the nations concerned within the limits of discussion which the expressed will of Congress compels this Government to impose.

In ratifying the treaty of peace with Germany the Senate made a reservation that the United States should not be represented on the Reparations Commission without consent of Congress, and no such consent has been given. Moreover, in creating the World-War Debt Funding Commission that body was restricted to explicit terms for rates of interest and ultimate time of payment. If Congress really means to facilitate the task of the Government in dealing with the European situation, the first practical step would be to free the hands of the commission so that helpful negotiations may be undertaken.

It is quite generally accepted that the adjustment of the question of reparations must underlie any economic rehabilitation of Europe, and reparations can not be settled without the consent of governments concerned. The United States can not assume to say to one nation what it shall pay in reparations nor to another nation what it shall accept.

In discussions with foreign governments the previous administration and the present administration have insisted that the question of European debts to the United States is distinct and apart from the question of reparations, but European nations hold a contrary view, and it is wholly inconsistent to invite a conference for the consideration of questions in dealing with which the Government is denied all authority by act of Congress.

So far as the limitation of land armaments is concerned, there seems to be at this time no more promising prospect of accomplishment than when the conference was held in Washington a year ago. Here, again I venture to warn the Senate against the suggestion to our own people or a gesture of promise to the world which can not be fulfilled until nations directly concerned express their readiness to cooperate to such an end.

With respect to a limitation of auxiliary types of naval craft, which are not limited by the present naval treaty, it is to be said that such an agreement is much to be desired, whenever practicable, but we may reasonably postpone our further endeavors along that line until the agreements made at the Washington conference secure the final sanction of all governments concerned.

Very truly yours,
WARREN G. HARDING

VETO MESSAGE

[Pension Bill.]

THE WHITE HOUSE, *January 3, 1923*.

To the Senate:

I am returning herewith Senate bill 3275, "An act granting pensions to certain soldiers, sailors, and marines of the Civil War, etc.," without my approval.

If the act were limited to its provisions in behalf of the surviving participants in the Mexican and Civil Wars and widows of the War of 1812, it would still be without ample justification. The Commissioner of Pensions estimates its additional cost to the Treasury to be about $108,000,000 annually, and I venture the prediction that with such a precedent established the ultimate pension outlay in the half century before us will exceed $50,000,000,000. The act makes no pretense of new consideration for the needy or dependent, no new generosity for the veteran wards of the nation; it is an outright bestowal upon the Government's pension roll, with a heedlessness for the Government's financial problems which is a discouragement to every effort to reduce expenditure and thereby relieve the federal burdens of taxation.

The more particular objection to this act, however, lies in its loose provision for pensioning widows. The existing law makes the widow of a Civil War veteran eligible to a pension if she married him prior to June 27, 1905. In other words, marriage within 40 years of the end of the Civil War gives a veteran's widow a good title to a pension. The act returned herewith extends the marriage period specifically to June 27, 1915, and provides that after that date any marriage or cohabitation for two years prior to a veteran's death shall make the widow the beneficiary of a pension at $50 per month for the remainder of her life. In view of the fact that this same bill makes provision for pensions for widows of the veterans of the War of 1812, the possible burden of this sweeping provision seems worthy of serious consideration.

Frankly, I do not recognize any public obligation to pension women who now, nearly 60 years after the Civil War, became the wives of veterans of that war.

The Government has so many defenders to whom generous treatment is due that Congress will find it necessary to consider all phases of our obligations when making provision for any one group.

The compensation paid to the widows of World War veterans, those who shared the shock and sorrows of the conflict, amounts to $24 per month. It would be indefensible to insist on that limitation upon actual war widows if we are to pay $600 per year to widows who marry veterans 60 years after the Civil War.

WARREN G. HARDING

EXECUTIVE ORDER

[Federal Council of Citizenship Training.]

THE WHITE HOUSE, *January 12, 1923.*

There is hereby created the Federal Council of Citizenship Training. The membership of this Council shall consist of one representative and one alternate appointed as designated below from each of the following Federal offices:

1. The Department of the Interior, (Bureau of Education) appointed by the Secretary of Interior. 2. The War Department, (Operations & Training Division, General Staff) appointed by the Secretary of War. 3. The Navy Department, (Educational Section, Bureau of Navigation) appointed by the Secretary of Navy. 4. The Treasury Department, (Public Health Service) appointed by the Secretary of Treasury. 5. The Post Office Department, (Welfare Division) appointed by the Postmaster General. 6. The Department of Agriculture, (States Relations Service) appointed by the Secretary of Agriculture. 7. The Department of Labor, (Naturalization Bureau) appointed by the Secretary of Labor. 8. The Federal Board for Vocational Education, appointed by the Chairman of the Board. 9. The U. S. Veterans Bureau, (Rehabilitation Division) appointed by the Director of the Bureau. 10. The Department of State, appointed by the Secretary of State. 11. The Department of Justice, appointed by the Attorney General. 12. The Department of Commerce, appointed by the Secretary of Commerce.

An alternate may attend the meetings of the Council and shall attend whenever the member from his office is unable to be present.

The first meeting of the Council will be held on Friday, January 26, 1923, at 2 P. M. in Room 241, State, War and Navy Building.

Subsequent meetings shall be held not less than once a month at times and places designated by the Council.

The Council shall elect its own officers and determine its own procedure. It shall not report as a body to any one Federal office; but each member shall report its findings and recommendations to his own Department head through usual channels for consideration and action.

The duties of the Council are to make constructive suggestions as to how the Federal offices may cooperate to secure more effective citizenship training, both in their own work and in cooperation with all other public and private agencies throughout the country. The facilities of all Federal offices shall be available as far as is practicable to further the work of the Council. WARREN G. HARDING.

ADDRESS TO CONGRESS, FEBRUARY 7, 1923

[Funding of Debt Owed by Great Britain and Aid to Merchant Marine.]

To the Congress:

You have been asked to assemble in joint session in order that I may submit to you the report of the World War Foreign Debt Commission, covering its accepted proposal for the funding of the debt due to the United States from the Government of Great Britain. This report, concluded on February 3, 1923, reads as follows:

> The President:
>
> The World War Foreign Debt Commission created under the act of Congress approved February 9, 1922, having received the mission appointed by the British Government to consider the funding of the demand obligations of that Government held by the United States, report as follows:
>
> The British Government designated as its representatives the Right Honorable Stanley Baldwin, Chancellor of the Exchequer, and Mr. Montagu Norman, the governor of the Bank of England, who have conferred with the commission in Washington and presented facts relating to the position of the British Government. The commission has also met frequently in separate sessions and has given the fullest consideration to the problems involved in the funding of the British debt to the United States.
>
> It became manifest at the outset that it would not be possible to effect an agreement for funding within the limits of the act approved February 9, 1922, and the commission has, therefore, considered the practicability of a settlement on some other basis, and though it has not been able, in the absence of authority under the law, to conclude negotiations, it unanimously recommends for submission to Congress a settlement with the British Government as follows:
>
> Principal of notes to be refunded, $4,074,818,358.44.
>
> Interest accrued and unpaid up to December 15, 1922, at the rate of 4¼ per cent., $629,836,106.99.

Deduct payments made October 16, 1922, and November 15, 1922, with interest at 4¼ per cent. thereon to December 15, 1922, $100,526,379.69.

Total, $4,604,128,085.74.

To be paid in cash, $4,128,085.74.

Total principal of indebtedness as of December 15, 1922, for which British Government bonds are to be issued to the United States Government at par, $4,600,000,000.

The principal of the bonds shall be paid in annual instalments on a fixed schedule, subject to the right of the British Government to make these payments in three-year periods. The amount of the first year's instalment will be $23,000,000 and these annual instalments will increase with due regularity during the life of the bonds until, in the sixty-second year, the amount of the instalment will be $175,000,000, the aggregate instalments being equal to the total principal of the debt.

The British Government shall have the right to pay off additional amounts of the principal of the bonds on any interest date upon ninety days' previous notice.

Interest is to be payable upon the unpaid balances at the following rates, on December 15 and June 15 of each year: 3 per cent. semi-annually, June 15, 1923, to December 15, 1932, inclusive; 3½ per cent, semi-annually, June 15, 1933, until final payment. For the first five years one-half the interest may be deferred and added to the principal, bonds to be issued therefor similar to those of the original issue. Any payment of interest or of principal may be made in any United States Government bonds issued since April 6, 1917, such bonds to be taken at par and accrued interest.

The commission believes that a settlement of the British debt to the United States on this basis is fair and just to both Governments and that its prompt adoption will make a most important contribution to international stability. The extension of payment, both of the principal and interest, over a long period will make for stability in exchange and promotion of commerce between the two countries. The payment of principal has been established on a basis of positive instalments of increasing volume, firmly establishing the principle of repayment of the entire capital sum. The payment of interest has been established at the approximately normal rates payable by strong governments over long terms of years.

It has not been the thought of the commission that it would be just to demand over a long period the high rate of interest naturally maintained during the war and reconstruction, and that such an attempt would defeat our efforts at settlement. Beyond this the commission has felt that the present difficulties of unemployment and high taxation in the United Kingdom should be met with suitable consideration during the early years, and therefore the commission considers it equitable and desirable that payments during the next few years should be made on such basis and with such flexibility as will encourage economic recuperation not only in the countries immediately concerned but throughout the world.

This settlement between the British Government and the United States has the utmost significance. It is a business settlement, fully preserving the integrity of the obligations, and it represents the first great step in the readjustment of the intergovernmental obligations growing out of the war.

Respectfully submitted,

A. W. MELLON, chairman; CHARLES E. HUGHES, HERBERT HOOVER, REED SMOOT, THEODORE E. BURTON.

In its comments upon the arrangements negotiated the commission itself has said essentially everything necessary to commend the agreement to your sanction. Note that the commission urges that the settlement is on a basis which "is fair and just to both Governments" and "will make a most important contribution to international stability." More important still is the closing observation that "it is a business settlement, fully preserving the integrity of the obligations, and it represents the first great step in the readjustment of the intergovernmental obligations growing out of the war." In these observations I most heartily approve. The call of the world today is for integrity of agreements, the sanctity of covenants, the validity of contracts. Here is the first clearing of the war-clouded skies in a debt-burdened world, and the sincere commitment of one great nation to validate its financial pledges and discharge its obligations in the highest sense of financial honor.

There is no purpose to report that your commission has driven a hard bargain with Great Britain, or to do a less seemly thing in proclaiming a rare generosity in settlement. Amid widespread clamor for the cancellation of World War debts as a fancied but fallacious contribution toward peace—a clamor not limited to the lands of debtor nations but insistent among many of our own people—the British commission came to make acknowledgment of the debt, to put fresh stamp of approval upon its validity and agree upon terms for its repayment. It was manifest from the beginning that Great Britain could not undertake any program of payment which would conform to the limitations of time and interest rates which the commission had been authorized to grant. But here was a great nation acknowledging its obligations and seeking terms on which it might repay. So your commission proceeded to negotiate in a business way for a fair and just settlement.

Such a settlement had to take into consideration the approximately normal interest rates payable, as the commission suggests, "by strong Governments over a long term of years," with a temporary interest rate and suitable options adjusted to the tremendous problems of readjustment and recuperation. Your commission went so far as it believed the American sense of fair play would justify. Even then the British Debt Commission did not feel justified by its instructions to accept the proposal. Only after submission to the British Cabinet was the proposal of your commission accepted, and I bring it to you with the earnest recommendation that it be given, so far as legislation procedure will admit, a cordial and prompt approval.

A transaction of such vast importance naturally has attracted widespread attention and much of commendation. It is a very gratifying thing to note the press and public have uttered substantially unanimous approval. It means vastly more than the mere funding and the ultimate discharge of the largest international loan ever contracted. It is a re-commitment of the English-speaking world to the validity of contract; it is in effect a plight against war and war expenditures and a rigid adherence to that production and retrenchment which enhances stability precisely as it discharges obligations.

It can not be unseemly to say it, and it is too important to be omitted, the failure of the British undertaking would have spread political and economic discouragement throughout the world and general repudiation would have likely followed in its wake. But here is kept faith—willingly kept, let it be recorded—and a covenant of peace no less effective than it would be if joint British and American opposition to war were expressly agreed upon. It is a covenant of peace and recuperation, of respect and cooperation. It is a new element of financial and economic stabilization, when the world is sadly needing a reminder of the ways of peace. It is an example of encouragement and inspiration, when the world is staggering in discouragement and bowed with the sorrows of wars that were and fears of wars which humanity is praying may be avoided.

Ordinarily I should be reluctant to add this question to a Congressional program which is already crowded, in view of the short period remaining of your session. But it is of such outstanding importance to us and to the world that I should be remiss if I did not invite your sanction even amid crowded calendars and pending problems of great importance. And I hope you will be glad to approve. If the debtor nation could decide to assume the great obligation, in two Cabinet sessions, in the face of enormous financial and economic difficulties, surely the deciding authority of the creditor nation will be ready to approve in a spirit appropriate to the great transacion and with a promptness which will convey befitting appreciation.

I am not unmindful of the disposition to pledge the application of anticipated payments in giving sanction to the settlement. It is not necessary to remind the Congress that the use of moneys secured in the repayment of war loans has been pledged by the very grant of authority to make the loans. The repeal of that commitment is always within the authority of the Congress if such a repeal is deemed wise, but it will best comport with the importance of such an international transaction to give a frank, exclusive, and direct decision, uninvolved by any disposition of the moneys which the funding program ultimately will bring to the federal Treasury.

Nor am I unmindful of the importance of pending legislation with which any prolonged consideration of the debt settlement might come in conflict. Knowing there is abundant time for ample debate, I would be recreant to my belief in the urgency of a decision on the Merchant Marine Bill if I did not renew the request that it be brought to a final disposition. I venture the allusion because it has been threatened that the Merchant Marine Act shall not be allowed to come to a vote.

Today you have a debt settlement which is to bring the Treasury something more than a hundred and fifty millions a year, and we rightly appraise it a notable accomplishment. On the other hand, the executive branch of the Government is charged with the operation of Government-owned shipping, which is losing the federal Treasury $50,000,000 a year. It is as important to avoid losses as it is to secure funds on debts or from taxation sources.

I have detailed the discouraging situation with regard to our shipping to Congress, and have suggested what is believed to be a remedy, not only to put an end to the losses but to upbuild an American merchant marine to meet our cherished aspirations and further our commerce abroad. In inviting your support, I frankly urged that if Congress would not approve, it should submit some alternative remedy. I am unwilling, the public is unwilling, to continue these appalling losses to the public Treasury when we know we are operating with no prospect of relief or of ultimate achievement.

Congress owes to itself, to the executive branch of the Government, and to the American public some decisive action. Mere avoidance by prolonged debate is a mark of impotence on a vitally important public question. I plead for a decision. If there is a favorable majority, the bill should be enacted. If a majority is opposed, defeat will be decisive. Then, if Congress fails in providing the requested alternative measure, the executive branch of the Government may proceed as best it can to end the losses in liquidation and humiliation.

I speak frankly, because the situation demands frankness. I am trying to emphasize a responsibility which can not be met by one branch of the Government alone. There is call for Congressional expression, not mere avoidance. I am not seeking now to influence the Senate's decision, but I am appealing for some decision. There is time, abundant time, for decisive action on both these tremendously important questions. I have brought up the shipping bill because I can foresee the possible conflict for right of way, but it ought and can be avoided. There is time for essential debate of both, and each carries its own appeal. Either is fit to be recorded a chapter in great achievement, both will mark a signal triumph. Both are inseparably related to our good fortunes at home and our high place in the world.

EXECUTIVE ORDER

[Reinstatement of Dismissed Employees.]

THE WHITE HOUSE, *February 14, 1923*.

The following named persons who were separated from the Bureau of Engraving and Printing are eligible to reenter any part of the classified service in appropriate positions for a period of five years from March 31, 1922, on certificate of the Civil Service Commission:

P. J. Farrell
James M. Fisher
George E. Jacobs
Thomas F. Roche
George U. Rose
Adam P. Ruth
Thomas F. Slattery
E. H. Ashworth
Jesse Benjamin
Ralph H. Chappell
George C. Cole
William C. Deane
John J. Deviny
B. R. Stickney
Norman Underwood
H. I. Wilson
Benjamin Goldsworthy

The following named persons are not eligible for reentrance to the service because they have been retired upon annuity:

Frederick J. Crocker
William C. McKinney
Frank W. Larner
Frank Campbell
Annie E. Bealle
George F. C. Smillie

The reinstatement of Mrs. M. S. Kerfoot, Elizabeth W. Scott, and Nellie Wilding has already been authorized.

WARREN G. HARDING.

SPECIAL MESSAGE TO SENATE

[Urging Adhesion to Permanent Court of International Justice at The Hague.]

THE WHITE HOUSE, *February 2, 1923*.
(Made public, *February 24, 1923*.)

To the Senate:

There has been established at The Hague a Permanent Court of International Justice for the trial and decision of international causes by judicial methods, now effective through the ratification by the signatory powers of a special protocol. It is organized and functioning. The United States is a competent suitor in the court, through provision of the statute creating it, but that relation is not sufficient for a nation long committed to the peaceful settlement of international controversies. Indeed, our Nation had a conspicuous place in the advocacy of such an agency of peace and international adjustment, and our deliberate public opinion of to-day is overwhelmingly in favor of our participation, and the attending obligations of maintenance and the futherance of its prestige. It is for this reason that I am now asking for the consent of the Senate to our adhesion to the protocol.

With this request I am sending to the Senate a copy of the letter addressed to me by the Secretary of State, in which he presents in detail the history of the establishment of the court, takes note of the objection to our adherence because of the court's organization under the auspices of the League of Nations, and its relation thereto, and indicates how, with certain reservations, we may fully adhere and participate, and remain wholly free from any legal relations to the league or assumption of obligation under the covenant of the league.

I forbear repeating the presentation made by the Secretary of State, but there is one phase of the matter not covered in his letter with which I choose frankly to acquaint the Senate. For a long period, indeed, ever since the International Conference on the Limitation of Armament, the consideration of plans under which we might adhere to the protocol has been under way. We were unwilling to adhere unless we could participate in the selection of judges, we could not hope to participate with an American accord if adherence involved any legal relation to the league. These conditions, there is good reason to believe, will be acceptable to the signatory powers, though nothing definitely can be done until the United States tenders adhesion with these reservations. Manifestly the Executive can not make this tender until the Senate has spoken its approval. Therefore, I most earnestly urge your favorable advice and consent. I would rejoice if some action could be taken, even in the short period which remains of the present session.

It is not a new problem in international relationship. It is wholly a question of accepting an established institution of high character, and making effective all the fine things which have been said by us in favor of such an agency of advanced civilization. It would be well worth the while of the Senate to make such special effort as is becoming to record its approval. Such action would add to our own consciousness of participation in the fortunate advancement of international relationship, and remind the world anew that we are ready for our proper part in furthering peace and adding to stability in world affairs.

WARREN G. HARDING.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

PROCLAMATIONS

[Copyright—Netherlands.]

Whereas, it is provided by the Act of Congress approved March 4, 1909 (35 Stat. L. 1075) entitled "An Act to Amend and Consolidate the Acts Respecting Copyright," that the provisions of Section 1 (e) of said Act, "so far as they secure copyright controlling the parts of instruments serving to reproduce mechanically the musical work, shall include only compositions published and copyrighted after this Act goes into effect, and shall not include the works of a foreign author or composer unless the foreign state or nation of which such author or composer is a citizen or subject grants, either by treaty, convention, agreement, or law, to citizens of the United States similar rights:"

And, whereas, it is further provided that the copyright secured by the Act shall extend to the work of an author or proprietor who is a citizen or subject of a foreign state or nation, only upon certain conditions set forth in Section 8 of said Act, to-wit:

(a) When an alien author or proprietor shall be domiciled within the United States at the time of the first publication of his work; or

(b) When the foreign state or nation of which such author or proprietor is a citizen or subject grants, either by treaty, convention, agreement, or law, to citizens of the United States the benefit of copyright on substantially the same basis as to its own citizens, or copyright protection substantially equal to the protection secured to such foreign author under this Act or by treaty; or when such foreign state or nation is a party to an international agreement which provides for reciprocity in the granting of copyright, by the terms of which agreement the United States may, at its pleasure, become a party thereto;

And, whereas, it is also provided by said Section that "the existence of the reciprocal conditions aforesaid shall be determined by the President of the United States, by proclamation made from time to time, as the purposes of this Act may require;"

And, whereas, the President of the United States in a Proclamation dated April 9, 1910 (36 Stat. L. 2685), proclaimed that subjects of the Netherlands since July 1, 1909, have been entitled to all the benefits of the Copyright Act approved March 4, 1909, other than the benefits under Section 1 (e) thereof;

And, whereas, the Government of the Netherlands declared on October 2, 1922, that under the laws in force in that country "citizens of the United States may claim copyright in the Netherlands and possessions with respect to their musical works made or published for the first time since the date of this declaration, which copyright includes the exclusive right to manufacture rolls, discs, and other objects for the mechanical reproduction of a work in whole or in part, as well as the exclusive right to give public representations or executions by means of these instruments, and this independently of the fact that these instruments have been made either in the Netherlands and possessions or in the United States of America or elsewhere;"

Now, therefore, I, Warren G. Harding, President of the United States of America, do declare and proclaim that one of the alternative conditions specified in Sections 1 (e) and 8 (b) of the Act of March 4, 1909, was fulfilled in respect to the subjects of the Netherlands on October 2, 1922, and that the subjects of the Netherlands from and after that date shall be entitled to all the benefits of the said Act, including copyright controlling the parts of instruments serving to reproduce mechanically a musical work, as provided in Section 1 (e) of the said Act, in the case of all works by the Netherlands authors which have been published on or after October 2, 1922, and have obtained copyright in accordance with the laws of the United States.

In testimony whereof, I have hereunto set my hand and caused the Seal of the United States to be affixed.

Done at the City of Washington this twenty-sixth day of February, in the year of our Lord, one thousand nine hundred and twenty-three, and of the Independence of the United States of America the one hundred and forty-seventh.

[SEAL]

WARREN G. HARDING.

By the President:

CHARLES E. HUGHES, *Secretary of State.*

[Declaring "Mound City Group" at Camp Sherman Military Reservation, Chillicothe, Ohio, a National Monument.]

Whereas, by Section 9 of the Act of Congress approved August 9, 1921 (42 Stat. 147-150), the Director of the Veterans' Bureau, subject to the general direction of the President, was authorized to utilize, *inter alia,* existing facilities of the War Department in connection with the care, rehabilitation and return to civil employment of disabled persons discharged from the military or naval forces of the United States;

And whereas, the President, at the request of the Director of the Veterans' Bureau and upon the recommendation of the Secretary of War, assigned to the Veterans' Bureau for use in carrying out the provisions of the said Act of Congress, the United States Military Reservation known as Camp Sherman, in the State of Ohio;

And whereas, that part of the said Reservation upon which is situated the famous prehistoric group of mounds known as the "Mound City Group" is no longer required for the use of the Veterans' Bureau;

And whereas, by Section 2 of the Act of Congress approved June 8, 1906 (34 Stat. 225), the President is authorized "in his discretion, to declare by public proclamation historic landmarks, historic and prehistoric structures, and other objects of historic or scientific interest that are situated upon the lands owned or controlled by the Government of the United States to be national monuments, and may reserve as a part thereof parcels of land, the limits of which in all cases shall be confined to the smallest area compatible with the proper care and management of the objects to be protected;"

And whereas, the said "Mound City Group" of prehistoric mounds located within the Camp Sherman Military Reservation, Ohio, is an object of great historic and scientific interest and should be permanently preserved and protected from all depredations and from all changes that will to any extent mar or jeopardize their historic value;

Now therefore, I, Warren G. Harding, President of the United States of America, under authority of the said Act of Congress of August 9, 1921, do hereby return to the custody and control of the War Department the lands upon which are located the "Mound City Group" of prehistoric mounds situated within the Camp Sherman Military Reservation at Chillicothe, Ohio, and under the authority of the said Act of June 8, 1906, do hereby reserve the lands so returned as a national monument site and declare and proclaim the said group of prehistoric mounds to be a national monument, the lands so returned to the War Department and reserved for said national monument site being more fully described as follows, viz:

> All of Sections N and O, bounded on the north by East Liverpool Street, on the east by the Scioto River, on the west by Columbus Avenue, and on the south by Portsmouth Street, containing fifty-seven (57) acres, more or less.

In witness whereof, I have hereunto set my hand and caused the Seal of the United States to be affixed.

Done at the City of Washington this second day of March, in the year of our Lord one thousand nine hundred and twenty-three, and of the Independence of the United States of America the one hundred and forty-seventh.

[SEAL]

WARREN G. HARDING.

By the President:

CHARLES E. HUGHES, *Secretary of State.*

[Forest Protection Week and Arbor Day—1923.]

Whereas, the preservation of our forests, Federal, State, and private, is essential to our industrial and commercial life, to our strength as a nation, and to our individual well-being, and

Whereas, forest fires, which are largely the result of carelessness or thoughtlessness, continue to do great damage, threatening to deplete and reduce our forests to the point at which they can not longer serve the nation adequately as a source of timber supply or for watershed protection and recreation, and

Whereas, the annual observance of Arbor Day in the States, and the interest in fire prevention which has resulted from Forest Protection Week heretofore, have done much to awaken the people to the importance both of planting trees and of perpetuating the forests that are already established.

Therefore, I, Warren G. Harding, President of the United States, do urge upon the Governors of the various States to designate and set apart the week of April 22-28, 1923, as Forest Protection Week, and wherever practicable and not in conflict with State law or accepted custom, to make Arbor Day fall within the same week; and to urge citizens, teachers, officers of public instruction, commercial and other associations, and the press to unite in thought and effort for the preservation of the nation's forest resources by conducting appropriate exercises and programs and by publishing information pertaining to the waste from forest fires and ways of preventing or reducing such losses, in order that our forests may be conserved for the inestimable service of mankind.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this fifth day of March, in the year of our Lord one thousand nine hundred and twenty-three, [SEAL] and of the Independence of the United States of America the one hundred and forty-seventh.

WARREN G. HARDING.

By the President:
CHARLES E. HUGHES, *Secretary of State.*

STATE DEPARTMENT NOTE

[Refugee Problem in Near East.]

Addressed to British, French and Italian ambassadors in Washington under date of March 31, 1923. Made public, April 3, 1923.

The problem presented by the evacuation to Greek territory of almost a million refugees has appealed to the humanitarian sentiment of all countries and has severely taxed the resources of the relief organizations which have been supported in their work by the generosity and initiative of the governments and peoples of many countries.

Deeply affected by the sufferings of refugees in the Near East, the American people, through the agencies of the American Red Cross and the Near East Relief, have been participating in relief work organized to meet the emergencies which have arisen in the Near East during the past few years and particularly to help to alleviate the acute suffering which followed the recent mass evacuations.

Immediately after the fall of Smyrna the American Red Cross and the Near East Relief organized relief work among the refugees under an arrangement between the two organizations, according to which the Red Cross assumed responsibility for the American relief work in Greece while the Near East Relief has cared for refugees in Turkey. Thus the Red Cross for the past five months has provided for approximately 868,000 refugees assembled in camps in various localities throughout the mainland of Greece and the Islands of the Western Mediterranean. At the present time more than 500,000 refugees are dependent entirely upon food supplies furnished by the Red Cross.

It is clear, however, that the feeding of great camps of refugees cannot and should not continue indefinitely. The solution of the problem can hardly lie in measures of temporary relief alone—though they are essential to meet an emergency such as has recently arisen in the Near East—but, rather, in such a disposition of the refugees as will enable them to be absorbed as promptly as possible into the normal economic life of the country where they find themselves.

The American Red Cross has therefore felt that a definite decision should be reached as to the date of terminating emergency relief work in Greece and that an announcement of this decision should be made well in advance of carrying it into effect, in order to give the Greek authorities and other interested agencies an opportunity to make suitable provision for the future. To postpone such action and to continue the mass feeding, in the opinion of those competent to judge, might only tend to delay vigorous measures for a more permanent solution of the refugee problem. The American Red Cross is therefore announcing the termination of its emergency relief work in Greece on June 30, 1923.

The Near East Relief is prepared, to the extent of its ability, to continue its child welfare work, including the support of 65,000 wholly dependent orphans now in its charge in the Caucasus, Greece, Syria and elsewhere, and to continue supplementary child welfare work for a larger number. But it is anxious to terminate at the earliest possible moment the emergency relief to adult refugees, of whom approximately 100,000 are now receiving relief from this organization.

The problem of finding permanent homes for the refugees is one, however, which is not within the scope of private relief agencies. It will require the cordial cooperation of the local authorities where the refugees may be situated, and of the Powers whose territorial and other interests in the Mediterranean area may make it possible for them to assist.

One phase of the question which is of particular concern relates to the future of the Armenians in the Near East, since it is a grave question whether Greece, in addition to the refugees of Greek race and religion, will be in a position to care for many thousands of Armenians. In the latter case it will be necessary to consider what disposition may be made of the Armenians who may have temporarily found refuge in Greece.

If a constructive plan can be worked out for an apportionment of the task and

THE LAST TRIP OF PRESIDENT HARDING.

In the latter part of June, 1923, President Harding left Washington for a speaking tour through the West and a visit to Alaska. In the West, he delivered a number of addresses to large audiences on pressing problems of the hour, especially the proposed adherence of the United States to the International Court of Justice. In Alaska, President Harding's party surveyed the development and resources of this northernmost territory of the United States.

One panel on the preceding page constitutes the last snapshot taken of President Harding. With Mrs. Harding, Brigadier General Sawyer and Secretary to the President Christian, he is shown leaving his train at San Francisco, on his way to the Palace Hotel, where he died so suddenly. Another panel shows President Harding in Yellowstone Park, admiring in silence the panorama of the Grand Canyon of the Yellowstone, from Artist's Point. The third panel shows the president at Immigration Springs, where he unveiled a monument to the Old Oregon Trail. His address on the Old Oregon Trail will be found toward the end of his messages and papers.

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PRESIDENT HARDING ON HIS TRIP THROUGH THE WEST, 1923.

for the gradual solution of the refugee problem, American relief agencies will be ready to cooperate, even after the termination of the emergency relief work of the American Red Cross on June 30th, next.

STATE DEPARTMENT STATEMENT

[Barring of Madame Kalinin.]

April 10, 1923.

The Department of State has cancelled the authorization for a visa for Madame Kalinin, wife of the President of the so-called Soviet Republic of Russia. The presence of Madame Kalinin in this country is rendered wholly undesirable by the deep feeling which has been aroused by the execution of Vicar General Butchkavitch. The action of the Department is taken especially in protest against this execution.

EXCHANGE OF NOTES WITH JAPAN

[Cancelling Lansing-Ishii Agreement.]

April 14, 1923.

Excellency:

I have the honor to communicate to Your Excellency my understanding of the views developed by the discussions which I have recently had with your Embassy in reference to the status of the Lansing-Ishii Exchange of Notes of November 2, 1917.

The discussions between the two Governments have disclosed an identity of view and, in the light of the understandings arrived at by the Washington Conference on the Limitation of Armament, the American and Japanese Governments are agreed to consider the Lansing-Ishii correspondence of November 2, 1917, as cancelled and of no further force or effect.

I shall be glad to have your confirmation of the accord thus reached.

Accept, Excellency, the renewed assurances of my highest consideration.

(Signed) CHARLES E. HUGHES.

HIS EXCELLENCY MR. MASANAO HANIHARA, *Japanese Ambassador.*

JAPANESE EMBASSY, WASHINGTON,
April 14, 1923.

Sir:

I have the honor to acknowledge the receipt of your note of today's date, communicating to me your understanding of the views developed by the discussions which you have recently had with this Embassy in reference to the status of the Ishii-Lansing Exchange of Notes of November 2, 1917.

I am happy to be able to confirm to you, under instructions from my Government, your understanding of the views thus developed, as set forth in the following terms:—

The discussions between the two Governments have disclosed an identity of view and, in the light of the understandings arrived at by the Washington Conference on the Limitation of Armament, the Japanese and American Governments are agreed to consider the Ishii-Lansing correspondence of November 2, 1917, as cancelled and of no further force or effect.

Accept, Sir, the renewed assurances of my highest consideration.

(Signed) M. HANIHARA.

HONORABLE CHARLES E. HUGHES, *Secretary of State.*

ADDRESS ON INTERNATIONAL COURT OF JUSTICE

[Luncheon of Associated Press, New York City, April 24, 1923.]

Members of the Associated Press:

During the closing days of the last Congress I sent to the Senate a communication asking its advice and consent to the adherence by the Government of the United States to the protocol establishing the International Court of Justice. Out of this simple, natural, normal proceeding has developed so much of mystery, so much of misunderstanding, so much of protest and approval, so much of threatened muddying of the political waters, that I welcome the opportunity, on so appropriate an occasion, to reveal to the American people both the purpose and the motives impelling.

Ours is popular Government through the agency of political parties, and it must be assumed that the course of the successful party, which is at the same time an honest party, must be fairly charted by the platform of that party, and by the utterances of its candidates when appealing for popular approval. On that assumption it is seemly to recall the declarations of the party now in power relative to the promotion of international relationships.

In 1904 the national platform of the Republican Party said "we favor the peaceful settlement of international differences by arbitration." Four years later, in the national convention of 1908, the party in its platform alluded to progress made in keeping faith with the previous declaration, and said:

> The conspicuous contributions of American statesmanship to the cause of international peace so strongly advanced in The Hague conferences are occasions for just pride and gratification. * * * We indorse such achievement as the highest duty of a people to perform, and proclaim the obligation of further strengthening the bonds of friendship and good will with all the nations of the world.

In 1912 the Republican platform made a very explicit declaration relating to an International Court of Justice. I quote from the party covenant of faith:

> Together with peaceful and orderly development at home, the Republican Party earnestly favors all measures for the establishment and protection of the peace of the world, and for the development of closer relations between the various nations of the earth. It believes most earnestly in a peaceful settlement of international disputes and in the reference of all controversies between nations to an International Court of Justice.

The next formal and solemn pledge was made in 1916. I quote again:

> The Republican Party believes that a firm, consistent, and courageous foreign policy, always maintained by Republican Presidents in accordance with American traditions, is the best, as it is the only true way, to preserve peace and restore to us our rightful place among nations. We believe in the peaceful settlement of international disputes, and favor the establishment of a World Court for that purpose.

In 1920 the question of our foreign relationship was very acute. The Senate had rejected the Versailles treaty and the League of Nations pact. The convention voiced its approval of the rejection, but was unwilling to pledge aloofness from the world. Therefore it said in its platform pronouncement:

> We pledge the coming Republican administration to such agreements with other nations of the world as shall meet the full duty of America to civilization and humanity, in accordance with American ideals, without surrendering the right of the American people to exercise its judgment and its power in favor of justice and peace.

As a participant in the making of some of these platforms and as the banner-bearer of one campaign, I have a right to believe they spoke the party conscience so plainly that it is not easy to misconstrue.

But there are other utterances which it is seemly to recall. I allude to the interpretation of the platform by the candidate in 1920. On August 28, 1920, speaking on the League of Nations proposal, I said frankly and very definitely, I did not favor the United States entering the League of Nations. It was declared then that the issue, as defined by the candidates, "involved the disparity between a world court of justice, supplemented by world association for conference, on the one hand, and the council of the league on the other." Quoting further from the same address, I said:

> The one is a judicial tribunal to be governed by fixed and definite principles of law, administered without passion or prejudice. The other is an association of diplomats and politicians, whose determinations are sure to be influenced by considerations of expediency and national selfishness. * * * One a government of laws and one a government of men.

In that same address I commended the Hague tribunal. One paragraph is particularly appropriate to quote afresh:

> I believe humanity would welcome the creation of an international association for conference and a world court whose verdicts on justiciable questions this country, in common with all nations, would be willing and able to uphold. The decision of such a court or the recommendations of such a conference could be accepted without sacrificing on our part or asking any other power to sacrifice one iota of its nationality.

So much for political party history. I have quoted it, because I believe in keeping the faith. If political parties do not mean what they say and candidates do not mean what they say, then our form of popular Government is based on fraud, and can not hope to endure.

In compliance with its pledges the new administration, which came into power in March, 1921, definitely and decisively put aside all thought of the United States entering the League of Nations. It doesn't propose to enter now, by the side door, the back door, or the cellar door. I have no unseemly comment to offer on the league. If it is serving the Old World helpfully, more power to it. But it is not for us. The Senate has so declared, the Executive has so declared, the people have so declared. Nothing could be more decisively stamped with finality.

In further keeping of the faith the administration made a treaty of peace with Germany, a just treaty, which so impressed our war-time enemy that when we came, later on, to set up a mixed claims commission to settle the claims of American nationals against Germany, that nation named one commissioner, we named one, and then, for the first time in the history of international relationships, Germany asked us, as a contending nation, to name the umpire, the third member, whose vote would decide all differences. I know of no like tribute to a nation's fairness in all the records of history.

Then in the fulfillment of the pledge of free conference, the International Conference on the Limitation of Armament was called, not in haste, not because some one was prodding, but as early as the barriers to success could be removed. The spirit of that conference and the achievement wrought have been written into history, and will grow immeasurably beyond the almost universal popular favor already accorded. There was not alone the triumph in reducing naval armaments and ending competition which was leading to oppressive naval strength and adding staggering burdens to the treasuries of competing powers; not alone the removal of every war cloud and every reason for conflict in the Pacific, so that now accord and concord abide, where suspicion and fear had previously dwelt; but we gave an example to the world of the conference way to peace, which time will appraise as the supreme accomplishment.

Hardly had this gratifying work been accomplished before the administration began its endeavors for further fulfillment. Meanwhile an International Court of Justice had been established. It was an agency of peaceful settlement which had long been sought. Its establishment previously had failed because no agreement had been possible over the method of electing judges. The existence of the League of Nations offered a solution. Almost all the member nations had signed a protocol establishing the court. The members of the council in which the larger powers have permanent representation, afforded one voting body with a veto on the members of the assembly consisting of representatives of all the nations, and member nations of the assembly could have a veto on the larger powers represented in the council. Here was a device for electing judges which removed the heretofore unsolvable problem of a satisfactory means of selecting them. Not the council, but the nation members thereof, must vote in majority for the same candidates for which members of the assembly voted in a majority, else the election is void until a conference points the way to agreement.

The court was established, and is functioning. An American judge sits on the court, though we had no part in choosing him.

Under the provisions of its establishment the United States can apply for a court decision on any justiciable question, even as any nation participating in its establishment. Perhaps the court is not all that some advocates of the court plan would have it, but it is in a large measure the fulfillment of an aspiration we long have boasted. So I thought, and I still think, we ought to be a party to the agreement, assume our part in its maintenance, and give to it the benefit of such influence as our size and wealth and ideals may prove to be.

For mere eligibility to appeal to the court, nothing was needed. But it didn't seem fair to seek its advantages without accepting all becoming responsibilities, and here developed the stumblingblock. Naturally we should wish to participate in selecting the judges, and the electors designated were members of the league. We had no thought of joining the league, we sought none of its offerings and will accept none of its obligations. The President could propose no solution to the signatory powers, because the world has witnessed in disappointment the spectacle of the Executive proposing and the Senate disposing. It was not desirable to make some proposal abroad that could not be carried out; indeed none would be considered, and it was not pleasing to think of asking the Senate's consent to a program to which the nations concerned would not agree. So, very informally and very discreetly, the situation was felt out, over a considerable period of time, and when satisfied that there was an appropriate course of action without connection with the league, provided the Senate consented, I proposed adherence to the court protocol, and asked the Senate's consent.

The documents speak for themselves. It was pointed out that no rights under the league and no obligations of the league would be incurred, but to make certain that we would not be involved the letter of the Secretary of State suggested suitable reservations to afford ample guaranty.

This is the complete recital. It is in harmony with platform pledges, candidatorial promises, and, I believe, with American aspirations. The Senate's decision was hardly to be expected amid the enormous pressure of business incident to the closing weeks of the short session. But I felt that the Senate, the country, and the friendly nations whose council we had sought were entitled to know that our gestures abroad were sincere, and our own people should know there are no secrets about our purposes at home, once they are matured.

Excessive friends of the league have beclouded the situation by their unwarranted assumption that it is a move toward league membership. Let thim disabuse their minds, because there is no such thought among us who must make our commitments abroad. And the situation is likewise beclouded by those who shudder excessively when the league is mentioned, and who assume entanglement is unavoidable. Any entanglement would first require assent of the Senate, which is scarcely to be apprehended, and if by any chance the Senate approved of any entanglement, the present administration would not complete the ratification. If in spite of these statements, uttered with full deliberation, there are excessive and unfounded hopes on the one hand, or utterly unjustifiable apprehensions on the other, I know of no word fittingly to apply.

Frankly, there is one political bugbear. When we discussed the League of Nations and its rule of force, with its superpowers through a political council and assembly, I myself contended as a Senator for equal voting power on the part of the United States with any nation in the world. With her dominions members of the league assembly the British Empire will have six votes in that branch of the court electorate, but it has only one in the electorate of the council. In view of the fact that no nation can have more than one judge, it is a less formidable objection than when applied to the league as a superpower, dealing with problems likely to abridge a member's national rights. I appraise the objection as one who voted against this disparity of power in the league assembly, but in an appraisal now I do not hesitate to say that if other great powers can accept without fear the voting strength of the British dominions, when they are without ties of race to minimize international rivalries and suspicions, we ought, in view of the natural ties of English-speaking kinship, feel ourselves free from danger.

The perfected court must be a matter of development. I earnestly commend it because it is a great step in the right direction toward the peaceful settlement of justiciable questions, towards the elimination of frictions which lead to war, and a surer agency of international justice through the application of law than can be hoped for in arbitration which is influenced by the prejudices of men and the expediency of politics.

We can do vastly more to perfect it in the capacity of an adherent than in an aloofness in which we arrogate to ourselves the right to say to the world we dictate but never comply. I would yield none of our rights, none of our nationality, but would gladly give of our influence and cooperation to move forward and upward toward world peace and that reign of justice which is infinitely more secure in the rule of national honor than in national or international force.

I have indulged the dream, nay, a justified hope, that out of the encouraged and sustained court might come the fulfillment of larger aspirations. In proof of its utility and a spirit of concord among nations might come that voluntary conference of nations out of which could be expected a clarified and codified international law to further assure peace under the law, and bring nations that understanding which is ever the first and best guarantor of peace.

I would not have it thought that I hold this question paramount to all others confronting our Government. I do not hold it a menace to the unity of any political party. It is not to be classed as a party question, but if any party, repeatedly advocating a world court, is to be rended by the suggestion of an effort to perform in accordance with its pledges, it needs a new appraisal of its assets.

Our problems at home invariably call for first consideration. Our own house must be kept in order, our own good fortune must be assured before we can be large contributors to world progress or measurably helpful to humanity. I have little patience with the contention of those who believe large commercial advantages will attend our larger assumption of world responsibility. Nations are not engaged in bartering their trade advantages for larger fellowships. We do not do it ourselves, and we need not ask what we do not give. Commerce is the very lifeblood of every people's existence, and a nation's commercial opportunities are valued little less than the security of its citizenship.

A restored Europe, with less consumption in conflict and more production and consumption in hopeful peace and banished hate, would add to the volume of world commerce. We would gladly acclaim such a restoration. Our influence and helpfulness are ready when they will avail, but we can not intrude where we ourselves would resist intrusion.

Our position commercially is gaining in strength, because we are free from political entanglements, and can be charged with no selfish designs. In the making of new pacts and the remaking of old, we ask no more and accept no less than the equal opportunity we are ever ready to grant others, and the position is unassailable. The nation which grants justice may confidently ask it, and the world—social, political, or commercial—which would promote justice through association or judgment of its court, must practice justice in its daily transactions.

I made allusion in the beginning to political charts and the good faith of political parties. Sometimes there must be a variation from the charted course, because of the unexpected development of impassable shoals. This administration, pledged by a sponsoring party for a quarter of a century to the building up of a merchant marine, was unable to secure the enactment which was believed to be the way to fulfillment. But it would be a small administration which would surrender the aspiration for an American merchant marine and scrap or sacrifice our great merchant fleet in a pique of disappointment over the Senate's failure to give approval.

For security of defense, for the avoidance of a like extravagant and ineffectual outlay in case of future war, for the promotion of our commerce and our eminence on the seas, I believe a great merchant marine to be an outstanding American requirement. Since we can not hope for Government aid to private ownership, we propose to do our best to organize and consolidate our lines and service, applying the lessons of experience which cost us hundreds of millions in operation alone, then offer for sale. If we can not sell, we will operate, and operate aggressively, until Congress inhibits.

Confessedly, this is a contradiction to the proposal to have less government in business and more business in government, but if we can not get out of the shipping business in a practical way and be assured of privately owned and privately operated shipping, it is the business of the Government to conserve our shipping assets and make for our self-reliance on the high seas.

One more thought, little expected on this occasion, I am sure, but particularly appropriate before a highly representative body of the American press. I know from experience how a newspaper man confidently prints opinions on public affairs. He has a marked advantage, because he is seldom called upon to make good, unless he happens to be elected President, and apparently no newspaper man was ever put to the test heretofore. You have been saying a lot about the failure of Congress, and the lack of teamwork between the Executive and Congress, and many of you have deplored that some strong man is not in the White House to make Congress do his bidding.

But a great change has taken place, vitally influencing the work of administrative and legislative fulfillment. This effectiveness is no longer influenced by war stress or Presidential personality. The great change has come about unawares, and as molders of public opinion you have ignored the fundamental reason. It is the change in our political system, the rule of the primary, the drift toward pure democracy, and the growing impotence of political parties. We have gotten away from the representative system; we have reached a point where the lack of party loyalty has made party sponsorship in government less effective than it was. We have come to the time when a party platform is regarded by too many men in public life as even less important than a scrap of paper, and groups or blocs are turned to serve group interests, and many individuals serve their own, while contempt for party conference or caucus has sent party loyalty pretty much into the discard.

I believe in political parties. They were the essential agencies of the popular government which made us what we are. We were never perfect, but under our party system we wrought a development under representative democracy unmatched in all proclaimed liberty and attending human advancement. We achieved under the party system, where parties were committed to policies, and party loyalty was a mark of honor and an inspiration toward accomplishment. Nowadays, in many States, party adherence is flouted, loyalty is held to be contemptible, nominations for office are often influenced by voters enrolled under an opposing party banner, and platforms are the insincere utterances of expediency, influenced by nominees, rather than by advocates of principle.

Let no one misconstrue me. I am not advocating the abandonment of the primary which gives to every voter a voice in nominating men for office and determining party policy. I would carefully preserve and safeguard it against the old-time abuses which impelled its adoption, but I would make it an agent of indisputable party expression rather than a means of party confusion or destruction. I like the inculcation of loyalty, the pride of association, and the inspiration to accomplishment. I like the party government where purposes are reached in the reasoning of honest representation, and I like a party which is commissioned to govern to strive in good conscience and all loyalty to keep the pledges which brought it popular approval.

Our drift to-day is toward pure democracy, and no pure democracy ever long survived. We talk solemnly and earnestly about preserving our world civilization. I have every confidence in its survival, but it may be assured only by humankind reaching the proper appraisal of the secure avenues of twenty centuries of progress. In our America we have the freest and best press in the world. In its power of to-day only the press can sound the warning and reason to that conviction which will enable us to play our full part in the work of preservation.

ADDRESS

[Delivered on the Unveiling of Statue of Alexander Hamilton, May 17, 1923.]

MR. SECRETARY AND MY COUNTRYMEN:

It is a most becoming thing to erect, and to me a very gratifying thing to participate in unveiling, this memorial to one of the outstanding founders of the Republic. In the appraisal of constructive contribution to the making of our America, Alexander Hamilton stands foremost, and merits our reverent tribute for all succeeding time.

Hamilton was the inspiring and insistent advocate of union, and the creative genius in the making of the Constitution. More, he was the practical politician, who brought about its necessary adoption.

To pay him this tribute of outstanding eminence means no disparagement, in any way, of the other stalwarts among the founding fathers. Washington riveted the confidence of the new possessors of independence, Jefferson was the foremost advocate of democracy, Franklin was the philosopher in the making of the Constitution, but Hamilton had the conception of a Federal Government, upon which plan the American people have builded to their own satisfaction and to no small degree of world astonishment. When his plan was adopted he became the master builder, and the integrity of the Nation's financial honor is his monument for the ages.

To the closer students of American history, notably the history of the Republic in the making, it must be most gratifying to note the erection of this befitting memorial in this appropriate setting at the south front of the Treasury. It was in the Treasury that Secretary Hamilton made his matchless contribution to the stable Republic. Here he put the seal of sanctity upon financial honor and led the young Republic from the depths of seeming hopelessness to the very heights of confidence and the supreme consciousness of honored obligations and their honest discharge.

The task of the founders was no trivial one, and the piloting of the new ship of state demanded the attributes of heroic leadership.

Here was the very chaos of victory. The triumphant colonists were spent and wearied, financially exhausted, and without plans for the future. They had little thought of the nation. Nationality was not the inspiration of the war for independence, but nationality was revealed as the necessary means of self-preservation when independence was won.

There were conflicting ideas, even more pronounced than to-day—there were varying conditions throughout the colonies, now turned to States. There were opposing ambitions, less understood than now, because of slow communication and less intimacy of association. There were pronounced envies and threatening jealousies; aye, there were disturbing suspicions and the menace of destroying passions. Hamilton combatted them all, with that boundless faith which is born of constructive genius, and made a supreme contribution to the formation and inauguration of the new Republic which he believed to be destined as the exponent and exemplar of representative democracy.

Many proclaimed him a monarchist and the foe of liberty. Others thought him an imperialist and the enemy of democracy. But he was none of those. It was from Hamilton's lips that came the finest utterance ever made concerning human liberty: "The sacred rights of mankind are written as with a sunbeam, by the hand of divinity itself, never to be erased or obscured by mortal power." In all the criticism of him, and there was intensity of criticism and maddening bitterness of controversy in those days, his sincerity was never questioned. As a believer in the highest degree of liberty, he was eager for a nationality strong enough to guarantee the security of liberty.

One wonders sometimes that this outstanding leader and conspicuous contributor should be so relatively inconspicuous in the historical recitals of our country. Though coming into full appraisal and to lofty eminence in this generation, he was not a popular hero in his time. He gave less heed to what the contending elements in the new Republic believed to be necessary for their sectional welfare, and riveted his thought and gave of his logic and leadership to the essentials of a stable Republic. He cared little for temporary popular favor, but he appraised common welfare above all else. He never sought to echo an ephemeral popular opinion, but appealed to that intelligent public opinion which must chart the way of an abiding democracy. The world needs that type of leadership to-day. Apply Hamilton's conception of financial integrity and the sanctity of obligation to world conditions to-day, and let there be asserted a leadership which rises above prejudiced opinion, whether that prejudiced opinion had its beginning in war or is emphasized by geographic divisions, and humanity will turn to the rational and only way of restoration. There will be the substitution of hope and resolution, where hatred and resentment are now hindering recovery. There will be less thought of yesterday, and more of to-morrow.

Another phase of Hamilton's distinguished career may well inspire all grateful Americans. Talleyrand emphasized it in his American visit. Driving by Hamilton's modest law office late at night, to which the Secretary had retired at the early age of 38, and noting the night light indicating late hours of toil, Talleyrand remarked that he was witnessing the eighth wonder of the world—a statesman of matchless talent and every opportunity to acquire wealth, retired from public service poor, striving professionally to earn a livelihood for his family.

The fine example was then and is to-day less an exception than this sincere tribute from a great European statesman would seem to indicate. Hundreds of very capable and highly patriotic men are serving the Government to-day at the neglect of their private fortunes. We should be poorly equipped for the tasks of government if they did not do so. It is to be deplored that there are public men who make of public position the opportunity to enhance their personal fortunes, but it rivets our confidence to know that so many are serving and sacrificing in their service to promote our commonweal. It ought to be understood, amid a too mistaken conception of the compensations of public service, that scores of men to-day hold highly important positions, not because they sought them, but because their services have been sought, and the consciousness of service to the Nation and their fellow countrymen is their chief compensation.

But I choose to stress the rugged honesty of this patriot-statesman, because honesty will cure ten thousand ills of to-day. Honesty of leadership will spare us the popular misconceptions which are ever menacing to democracy. Honesty in statecraft will point the way to impregnable heights. Honesty among nations will dissolve their differences, so that new and lasting friendships may be bound by the ties of fraternity and mutual trust. Honesty in politics will reveal unerring public opinion, and honesty in public service everywhere will diminish public waste and extravagance. Honesty of manhood and womanhood will abolish the sources of discontent which threaten the world's civilization, and will bring us to conviction regarding the fundamentals of the social fabric, without which fundamentals there can be no human progress.

Alexander Hamilton had the vision to see the expanding Republic. He was an American by adoption, but he fought his way to the loftiest plane of citizenship and accepted all its obligations. He was the youthful zealot for liberty, and a most distinguished soldier of the Revolution. The transcending qualities of his statesmanship so obscured his military career that it is little noted, though standing alone his military services would command a place in history.

He was literally a founder and builder. Washington had learned his qualities in war, and in Washington's trust he became the master builder. Aye, he was more than founder or builder; he was the prophet of American destiny.

With that insight and foresight which signaled his public service, and made him understand why republics had failed and faded from popular recollection, he sought to guard against the dangers of his day, and gave warning against the dangers to come. Human nature does not differ in one century from another, and the popular fallacies which Hamilton combated in his day have yet to be met in ours. Here was a revelation of the conscience of his statecraft. No threatened loss of popularity ever deterred him. Believing for himself in a policy designed to promote the welfare of the new Republic and to strengthen its security, he became its zealous advocate. He argued until he convinced and then committed. None ever wielded a more trenchant pen, no heart and mind ever directed a more eloquent tongue. An infinite courage sustained him, and in the national viewpoint he found his unfailing inspiration.

It was his conviction that the Federal power could combat menaces with which the State could not successfully contend. He had a seemingly inspired fear of factionalism, fought it in the making, and warned us of to-day against its development.

In his clarion call for social and political integration under the Constitution, he gave this warning:

> "Among the numerous advantages promised by a well-constructed union, none deserves to be more accurately developed than its tendency to break and control the violence of faction. The friend of popular government never finds himself so much alarmed for their character and fate as when he contemplates their propensity to this dangerous vice. He will not fail, therefore, to set due value on any plan which, without violating the principles to which he is attached, provides a proper cure for it. The instability, injustice, and confusion introduced in public councils have, in truth, been the mortal diseases under which popular governments have everywhere perished; as they continue to be the favorite and fruitful topics from which the adversaries to liberty derive their most specious declamations."

Then he defined factions. I quote further:

> "By a faction I understand a number of citizens, whether amounting to a majority or a minority of the whole, who are united and actuated by some common impulse of passion, or of interest, adverse to the rights of other citizens, or to the permanent and aggregate interests of the community."

Can any student of our times in America, or the world, doubt for a moment that factionalism is developing as never before? We have our factions which seek to promote this or that interest, without regard to the relationship to others, and without regard for the common weal. We have the factions of hatred and prejudice and violence. We have our coalitions which would invade the constitutional rights of others or subvert the Constitution itself. We have our factions challenging both civil and religious liberty, and without them both made everlastingly secure there can be no real human liberty. We have the fatal factionalism which contemplates obstruction to the execution of the laws. No nation will survive where this factionalism is endured. Hamilton warned us that "however such combinations or associations may now and then answer popular ends, they are likely themselves to usurp the reigns of government, destroying afterwards the very engines which have lifted them to unjust dominion." Washington uttered the same caution. It was Hamilton's conception that the Federal influence would crush out the factions, taking heed, of course, whenever a call to real justice had in any way inspired.

If we will carry on, visualizing the Nation of which he dreamed; if we will maintain the national viewpoint and emphasize the interwoven intimacy of all activities, interdependent, where none may permanently prosper without a prosperous whole; if we will throttle the false cry of class where none need exist in the beckoning of American opportunity; if we will be as hopefully American and as whole-heartedly American as they were in the immortal beginning, the future will be secure. These we must do, no matter what political sacrifices are made in the recommitment.

Here stands, Mr. Secretary, the memorial to a great lover of liberty, a great patriot, a great soldier, a colossal statesman, a mighty American. Time has brought our appraisal of him out of the mists of misunderstanding and given us a measure of his true greatness. If I were to select one attribute above all others for the inspiration of the Americans of to-day and the morrow, it would not be his brilliance of mind, or his gift of eloquence, or his matchless genius, or his prophetic vision; but I should commend his courage of patriotism, which put his devotion to the Republic's welfare before popular approval or personal fortune, and his unconditional gift of heart, mind, and soul to the making of an imperishable temple of freedom in these United States.

By the President of the United States of America

PROCLAMATIONS

[Aztec Ruin, Bryce Canyon and Pipe Spring National Monuments.]

Whereas, there is near the town of Aztec, New Mexico, a ruin of great antiquity and historical interest; and

Whereas, the ground on which said ruin stands has been donated to the United States for the establishment of a national monument with a view to the preservation of said ruin for the enlightenment and culture of the Nation:

Now, therefore, I, Warren G. Harding, President of the United States of America, by virtue of the power in me vested by section two of the act of Congress entitled, "An Act for the Preservation of American Antiquities," approved June 8, 1906 (34 Stat., 225), do proclaim that there is hereby reserved and set apart as a national monument to be known as the Aztec Ruin National Monument all that piece or parcel of land in the County of San Juan, State of New Mexico, shown upon the diagram hereto annexed and made a part hereof, and more particularly described as follows: Beginning at a point 347 feet north from the south line of section 4 and 20 feet east from the west side of the southeast quarter of the southwest quarter of section 4, township 30 north, range 11 west, N. M. P. M. and running thence north 0° 53′ east 179.1 feet; thence north 64° 46′ east 385 feet; thence south 81° 23′ east 52.3 feet; thence south 42° 45′ east 436.4 feet; thence south 67° 01′ west 501.4 feet; thence north 0° 53′ east 176.5 feet; thence west 240 feet to place of beginning, containing 4.6 acres, all in the southeast quarter of the southwest quarter of section 4, township 30 north, range 11 west.

Warning is hereby expressly given to all unauthorized persons not to appropriate, injure, destroy or remove any of the features or objects included within the boundaries of this monument and not to locate or settle upon any of the lands thereof.

The Director of the National Park Service, under the direction of the Secretary of the Interior, shall have the supervision, management and control of this monument, as provided in the act of Congress entitled, "An Act to establish a National Park Service, and for other purposes," approved August 25, 1916 (39 Stat., 535) as amended June 2, 1920 (41 Stat., 732).

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this twenty-fourth day of January, in the year of our Lord one thousand nine hundred and [SEAL] twenty-three, and of the Independence of the United States of America the one hundred and forty-seventh.

WARREN G. HARDING.

By the President:
CHARLES E. HUGHES, *Secretary of State.*

Whereas, certain lands within the Powell National Forest, in the State of Utah, known as Bryce Canyon, are of unusual scenic beauty, scientific interest and importance, and it appears that the public interests will be promoted by reserving these areas with as much land as may be necessary for the proper protection thereof as a national monument;

Now, therefore, I, Warren G. Harding, President of the United States of America, by virtue of the power in me vested by section two of the Act of Congress approved June eight, nineteen hundred and six, entitled "An Act for the preservation of American antiquities," do proclaim that there are hereby reserved from all forms of appropriation under the public land laws, subject to all prior valid adverse claims, and set apart as a National Monument to be known as Bryce Canyon National Monument, all of the tracts of land in the State of Utah which are shown on the diagram forming a part hereof.

The reservation made by this proclamation is not intended to prevent the use of the lands for National Forest purposes under the proclamation establishing the Powell National Forest, and the two reservations shall both be effective on the land withdrawn, but the National Monument hereby established shall be the dominant reservation and any use of the land which interferes with its preservation or protection as a National Monument is hereby forbidden.

Warning is hereby given to all unauthorized persons not to appropriate, injure, deface, remove or destroy any feature of this National Monument or to locate or settle on any of the lands reserved by this proclamation.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this eighth day of June, in the year of our Lord one thousand nine hundred and twenty-three, and [SEAL] of the Independence of the United States of America the one hundred and forty-seventh. WARREN G. HARDING.

By the President:
CHARLES E. HUGHES, *Secretary of State.*

Whereas, there is in northwestern Arizona on the road between Zion National Park and the North Rim of the Grand Canyon National Park a spring, known as Pipe Spring, which affords the only water along the road between Hurricane, Utah, and Fredonia, Arizona, a distance of sixty-two miles; and

Whereas, a settlement was made at Pipe Spring in 1863 and there was built a large dwelling place, called "Windsor Castle," with portholes in its walls, which was used as a place of refuge from hostile Indians by the early settlers, and it was also the first station of the Deseret Telegraph in Arizona; and

Whereas, it appears that the public good would be promoted by reserving the land on which Pipe Spring and the early dwelling place are located as a National Monument, with as much land as may be necessary for the proper protection thereof, to serve as a memorial of western pioneer life,

Now, therefore, I, Warren G. Harding, President of the United States of America, by virtue of the power in me vested by section two of the act of Congress entitled, "An Act for the Preservation of American Antiquities," approved June 8, 1906 (34 Stat., 225) do proclaim that there is hereby reserved, subject to all prior valid claims, and set apart as a National Monument to be known as the Pipe Spring National Monument the lands shown upon the diagram hereto annexed and made a part hereof and more particularly described as follows:

The southeast quarter of the southeast quarter of section seventeen, township forty north, range four west, Gila and Salt River Base and Meridian.

Warning is hereby expressly given to all unauthorized persons not to appropriate, injure, destroy, or remove any of the features or objects included within the boundaries of this Monument and not to locate or settle upon any of the lands thereof.

The Director of the National Park Service, under the direction of the Secretary of the Interior, shall have the supervision, management and control of this Monument, as provided in the act of Congress entitled, "An Act to establish a National Park Service, and for other purposes," approved August 25, 1916 (39 Stat., 535), as amended June 2, 1920 (41 Stat., 732): Provided, that in the administration of this Monument, the Indians of the Kaibab Reservation shall have the privilege of utilizing waters from Pipe Spring for irrigation, stock watering and other purposes, under regulations to be prescribed by the Secretary of the Interior.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this thirty-first day of May, in the year of our Lord one thousand nine hundred and twenty-three, [SEAL.] and of the Independence of the United States of America the one hundred and forty-seventh.

WARREN G. HARDING.

By the President:

CHARLES E. HUGHES, *Secretary of State.*

EXECUTIVE ORDER

[Powers of Alien Property Custodian.]

THE WHITE HOUSE, *May 16, 1923.*

By virtue of the power and authority vested in me by "an Act to define, regulate, and punish trading with the enemy and for other purposes," known as the "Trading with the Enemy Act," approved October 6, 1917, and the amendments thereto, I hereby make the following orders, rules and regulations:

1. I hereby vest in the Alien Property Custodian all power and authority conferred upon me by the provisions of Section 9 of the Act approved October 6, 1917, known as the "Trading with the Enemy Act," as amended March 4, 1923, pertaining to every claim in which the amount to be returned or paid does not exceed in money or other property the value of Ten Thousand Dollars. The Alien Property Custodian may refer any such claim to the Attorney General for an opinion upon the law or facts upon which such claim is based.

2. All other Executive Orders heretofore made are hereby amended and modified to such extent as may be necessary to conform with the provisions hereof.

WARREN G. HARDING.

ADDRESS

[To National American Council, Washington, D. C., May 24, 1923.]

It is not only a pleasure, but a great reassurance to greet this body of earnest and intelligent men and women who have come together, so to speak, as coordinators for a great group of organizations devoted to the common purpose of bettering American citizenship. It is one of the best signs of our times that there exists a widespread realization of the need for organized and determined effort to recall the people to the high ideals which inspired our republican institutions.

It is a common observation nowadays, sometimes, I think, altogether too easily and lightly made, that democracy is on trial. I think we have need to make some distinction at this point. The unqualified and not infrequently pessimistic declaration that democracy is on trial is calculated to suggest that perhaps there is need to search for an alternative to those democratic republican institutions which we have erected in this country, and which have spread in the last century and a half to a great part of the world. I have some misgivings about whether democracy is on trial, but I am very sure that in these times it is experiencing a great many trials. Further, we will be quite safe in admitting that many of the institutions which have been set up in the hope that through them the best aims of democracy might be realized are on trial. We will make no mistake if we confess that the attitude and conduct of many people who profess devotion to democratic institutions are on trial. But all this may be admitted without implying that any important part of society is seeking an alternative to democracy. There is much questioning of ways and means and institutions, but as to the fundamentals it certainly can be said that never was our country more firmly committed to the broad ideals and purposes of democracy, and never before were so many other countries and peoples seeking to establish like commitments.

Human society has never faced a more complex or difficult situation, and it is therefore of first importance that all Americans be brought to understand the underlying purposes of this commonwealth, and to fix firmly in their hearts the determination to maintain institutions capable of progressive evolution and development, along the lines of our fundamental principles. To this end, the need is to educate all of us to understand what our fundamentals are, what they mean, and whether, in the process of their evolution, we desire to hold them everlastingly secure. In some ways Americans are a very conservative people; in others, quite the reverse. Having been compelled for generations more or less to improvise institutions fitted to their needs, they have largely lost the fear of experimentation. Some of them are quite willing to experiment without first stopping to think out clearly the procedure on which they would enter. Conflicts among differing groups and opposing programs have commonly prevented disastrous results; but there is danger in placing too much reliance on this kind of protection. It is liable to deadlock the whole mechanism of progress. That would be as great a disaster as to give ourselves over to an era of ill-assorted, unthought-out social and economic experiments.

Somewhere between these two undesirable courses, our country has need to chart a route of sane, constructive, genuine progress which may command the sincere support of the overwhelming majority. Thus, and only thus, we shall assure continuing institutional evolution, without revolution; steady advancement, without avulsion. It seems fair to say that two conditions must be met if our quorum of democratic institutions are to continue improving and adapting themselves to the requirements of an increasingly complex social order. Every governmental unit must be as nearly as possible a miniature of the ideal state which all hope to realize, capable of standing on its own bottom and managing affairs as best serves the public welfare. But, since such a collection of independent, self-governing communities does not form a nation, there must be also some potent bonds of sympathy, interest and common purpose binding these communities into a great united commonwealth.

Our national experience during the war afforded illustration of how a great common purpose, intense and universal, would weld the nation into a true unity. The inspiration to forget personal interests for the sake of the common cause; to sacrifice individual ambition, to work without stint and without question, to give up, if necessary, even life itself—these enabled us to achieve a consciousness of solidarity and of power that this nation had not known before it grandly demonstrated what magnificent results a great people can accomplish if they have a great common object which all sincerely wish to attain. That great release of national energy was inspired by war. It showed how far this people will go in service and sacrifice for the common good. As a people, we have not changed with the return of peace; but undeniably we have lost much of the unity, the solidarity, the eagerness for simple service, that marked our war-time attitude. Plainly it is because we have been somewhat confused by the complexity of our time and situation. No one great dominating and appealing cause has been visualized before us, to command our loyalty and devotion. We have not discovered any single, all-absorbing enterprise capable of commanding the services of the whole united community. We need to find such a commanding and dominating national interest, and I believe it would be found if we could contrive means to set before all the people the full meaning and implication of that simple statement about the aims and purposes of our Government which is contained in the preamble of the Constitution. In that preamble the fathers of the republic set forth the objective of this great democracy; "We, the people of the United States, in order to form a more perfect union, establish justice, insure domestic tranquility, provide for the common defense, promote the general welfare and secure the blessings of liberty, to ourselves and our posterity, do ordain and establish this Constitution for the United States of America."

There is the complete statement of our nation's aspiration, and a noble aspiration it is. There is the chart for our course. There is the inspiration to every effort to make one and all of us better citizens. Following this statement of a general purpose the Constitution sets up a mechanism, and the laws enacted by nation and states have added to that mechanism from time to time. We should not, in contemplating the details and perhaps imperfections of the machinery, allow ourselves to forget the great underlying plan and purpose, the supreme object of it all. There is need to cultivate in every citizen a sense of responsibility, of personal concern for the operation of this mechanism in a fashion harmonious with the purposes of its founders. The nation at its best will not be better than the aggregate of all its citizenship, the national ideal stated in the preamble will be attained by us as a nation in no greater degree than we shall attain it as an aggregate of individuals. To the extent that the individual strives to realize the object in his life and conduct, communities composed of these individuals may accomplish it, but no further. The preamble, then, defines the objectives and aims of training for citizenship.

No doubt the working implications of this thesis will be developed in your discussions. But one brief suggestion may be offered. Consider one phase in the preamble: "To establish justice." In our mechanism of government, we have set up an elaborate organization to insure this: the federal and state judicial systems. But the courts cannot insure equal justice to all the community if some individuals shall strive for special privileges for themselves, or seek to establish subtle forms of injustice not specifically prohibited by the letter of law. The task of the courts will be difficult, slow, sometimes impossible, unless citizens subject to their jurisdiction are sincerely desirous to do justice and to see it done in the affairs of day-by-day life.

Thus the immediate and continuing opportunity for every citizen to contribute toward the accomplishment of this particular objective by the nation as a whole lies in so guiding one's personal affairs that they shall fall into coincidence with this injunction "to establish justice." If we sincerely wish to leave a better and greater nation to the next generation, to bequeath institutions better adapted to accomplish the great aim of social organization, we shall accomplish these things by adhering in our daily conduct to the rule of seeking and doing justice. To this end, the federal Government has important contributions to make. Many of its agencies, such as the Bureau of Education, the Federal Board for Vocational Education, the Departments of Agriculture, Labor, War and Navy, indeed every department, are actively engaged in efforts for the better training of citizens. The Federal Council of Citizenship Training has been set up with the purpose of helping to so coordinate these various functions that they may be more effective. It has been studying the situation, charting the work of federal agencies, laying out the possible lines of communication with the states and the people, preparing to keep up with them in every enterprise for the betterment of citizenship.

Along the same lines the state and municipal governments have important duties. They directly control the educational establishments of the country. Beyond them, every citizen has a personal responsibility in this business of training better citizens. The citizen is an example to all with whom he comes in contact, a parent with direct responsibility for his children. Without his fullest cooperation, the utmost efforts of federal, state and local governments can at most be of small avail. So we may well unite in inviting all citizens of all of the many organizations which look to encourage better citizenship to unite in this fine cooperation of effort.

With the preamble of the Constitution as a definition of our objective we will find that we have a common aim and purpose, quite as attractive as any that have been set up before us and under the urgencies of war. Here is a sound platform on which to build democratic institutions. Toward the realization of such aspirations as these we may confidently place our lives, our fortunes and our sacred honor. The result of individual and collective effort to make this democratic program a moving force in our lives and conduct will extend beyond our own borders. The nation which knows the truth and which, amid the turmoil of this age, has discovered how "to insure domestic tranquility" can point the way to world peace; not by force of arms, but by living the precepts of representative democracy's true platform in all its dealings with mankind.

STATE DEPARTMENT ANNOUNCEMENT

[Agreement for Reimbursement of Costs of American Army of Occupation in Germany.]

May 25, 1923.

SYNOPSIS

The net amount due to the United States on army cost account is to be reckoned by taking the American figures of total gross costs and deducting first, the value of paper marks requisitioned by the American army in Germany, and, second, the value of the material abandoned by Germany and coming into the hands of the American army when the American troops were marching into Germany following the Armistice of November 11, 1918. Final figures of the total cost are not yet available, since the final accounts of the American army of occupation have not been made up, but according to figures supplied by the War Depaartment the total gross cost up to January 31, 1923, was $292,319,858.03, and, deducting $36,775,047.50, which represents the value in paper marks requisitioned up to the above date, the net balance due to the United States as of January 31, 1923, is $255,544,810.53. From this latter figure is to be deducted the value of the Armistice material, as above stated, but no definite value has as yet been placed upon this material. The agreement just signed provides that the value of this material shall be fixed by agreement between the Government of the United States and the Reparation Commission.

It is provided in substance that the amount due to the United States shall be paid in twelve annual yearly installments out of future cash payments credited to Germany. It may be estimated roughly that the annuities will amount to approximately $20,000,000 yearly. Until the end of 1926 the annuities are to constitute a first charge on payments credited to Germany's reparation account, excepting deliveries in kind, the proceeds of the British Reparation Recovery Act, or similar legislation, and the value of transfers and cessions of property under the Treaty of Versailles; after January 1, 1927, in case payments of the foregoing character placed to the credit of the Reparation account should prove to be insufficient, the annuities due to this Government shall in addition constitute a first charge on all payments placed to the credit of army of occupation account excluding requisitions of paper marks by the Allied armies of occupation.

Until the end of 1926 the annuities due to the United States constitute a lien on twenty-five per cent of the payments made by Germany, as defined above. It is provided that the sum to be remitted to the American Government up to the end of 1926 is not to exceed fifty per cent of the total balance paid in cash by Germany in the course of the year in question on reparation account, and any deficits resulting from this provision shall be charged against the payments in cash made by Germany in the course of the following years up to and including 1926.

One-eighth of any deficits that may be due to the United States at the beginning of 1927 is to be added to each of the payments to be made in the course of the years 1927-34 inclusive. Beginning with 1927 the annuities due to the United States constitute a first charge to the extent of 100 per cent on payments by Germany (with the exceptions above enumerated) placed to the credit both of reparation and army cost accounts.

In case after 1926 there should still be deficits, the amount thereof will bear simple interest at four and one-half per cent, and is to be liquidated with priority out of subsequent cash payments by Germany on army cost account.

The Allied Governments reserve their rights in any collections in occupied territory through the intervention of any Allied authority.

It is further provided that in case any extraordinary payments should be made by Germany by means of the flotation of a loan or otherwise the Allied Governments will discuss with the United States the participation of this Government in such extraordinary payments. Also, in the event of any moratorium being granted to Germany the Allied Governments will communicate with the Government of the United States for the purpose of reaching an agreement that would not cause any prejudice to this Government.

It is provided in Article V that if the United States should procure any dyestuffs in accordance with the provisions of the Treaty of Versailles, or any subsequent agreement, the value of such dyestuffs shall be deducted from the annuity due to the Government of the United States under the present agreement.

It is provided that, if at the end of 1927, or of any year following the arrears due to the United States have reached such an amount as might in the judgment of this Government endanger the complete execution of the payments within the twelve-year period, the Allied Governments, upon the request of the Government of the United States and in agreement with it, will use their best endeavors to make such modifications of the agreement as may seem necessary to insure the complete execution of the payments within the prescribed period of twelve years.

It is also provided in Article VI that in case the present agreement does not work out satisfactorily, the Government of the United States shall have the right of abrogating it. In the event of abrogation, for any reason whatsoever, it is provided that each of the respective Governments "reserves the right to maintain all its rights whatsoever may be their extent such as each deems them to exist at this date."

TEXT

The following agreement is concluded between the Government of the United States of America of the one part and the Governments of Great Britain, France, Italy and Belgium of the other part.

The Governments of Great Britain, France, Italy and Belgium undertake to use every effort to secure the adherence to this agreement of the other Allied Powers who have a right to participate in the payments affected by the said agreement.

Article I. For the purpose of the following agreement the net amount due to the Government of the United States for the costs of its army of occupation will be reckoned as follows:

The total net costs as they are certified by the United States Government and as they will figure in the accounts of the Reparation Commission after deducting the following sums if they have not already been deducted:

A. Any amount already collected by the United States Government in form of the requisition of paper marks. B. The value of the armistice material and material abandoned by Germany not possessing a military character.

Two. The value in gold of the paper marks of the armistice material and of the abandoned material not possessing a military character shall be fixed by the Reparation Commission and the Reparation Commission will agree with the Government of the United States as to the amount thereof to be deducted from the total net costs of the American army of occupation.

Article II. One. The net amount due to the United States will be paid in twelve equal yearly installments. the first installment to be paid on or before the 31st of December, 1923.

Two. No interest will be charged; however, if the Allied Governments should decide at any time to charge interest from a fixed date for the unpaid costs of their armies of occupation the same rate of interest commencing from the same date shall be allowed the Government of the United States for the unpaid balance of its claim.

Three. Each of the yearly installments referred to in paragraph one of the present article constitutes up to the 31st of December, 1923, a first charge on the payments of all kinds to be credited to Germany's reparation account* excluding those specially excepted by paragraph 4 below, and, from the 1st January, 1927, if the payments of all kinds to be placed to the credit of the reparation account are insufficient, a first charge in addition on all the payments to be placed to the credit of army of occupation account exclusive of paper marks requisitioned to cover part of the costs of these armies of occupation to meet the needs of the armies of occupation for local currency during the year in the course of which the said yearly installments should be paid to the Government of the United States. The charges established by the present paragraph are applicable whether these payments are made by Germany or for the account of Germany or by and for the account of another country from whom a similar payment may be exacted to any organization which has been and may be designated to receive such payments and including the payments made directly to the interested Governments.

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*The "reparation" account of Germany includes all payments in cash or kind which are devoted to making good the damages for which the Allies have claimed compensation from Germany in accordance with the terms of the Treaty of

Four. For the purpose of the execution of present agreement payments by German Government subjected to the charges referred to in paragraph three above shall not include:

A. Deliveries in kind intended to be used in the interior of receiving countries, their colonies, and their dominions, made by virtue of the various annexes to Part Eight of the Peace Treaty of Versailles or of any other procedure approved to date by the Reparation Commission** to the Allied countries having a credit on account of reparation.

B. The proceeds of the British Reparation Recovery Act or of any other similar legislation enacted or to be enacted by the other Allied Governments in pursuance of paragraph two of the decision of the Allied Governments of 3d March, 1921.

C. The value of transfers and cessions of property rights and interests made in execution of the Treaty of Versailles unless such transfers (under Articles 254 and 256, for example) result in a payment for the credit of Germany's reparation account made by Powers not entitled to reparations or unless such cessions of property rights and interests (under Article 260, for example) are liquidated or sold for cash by the Reparation Commission for the credit of Germany.

Five. If in the course of one year (calendar year) between 1st January, 1923, and 31st December, 1926, the amount of the sum due to the Government of the United States exceeds twenty-five per cent of the total of the payments defined above made by Germany or for the account of Germany for the credit of her reparation accounts (excluding the sums carried to the account of the armies of occupation) the amount of the payment to be made to the United States shall be reduced to a sum equivalent to twenty-five per cent of such payment and one-eighth the sum deducted will be added to each of the payments to be made in the course of the years 1927-1934, inclusive.

Six. Nevertheless for the purpose of the present agreement the European Allied Governments creditors on account of their armies of occupation undertake to apply during each of the years 1923-1926, inclusive, by priority to the payment of their current expenses for armies of occupation in so far as these have not been met by the requisition of paper marks the value of the deliveries in kind

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Versailles. Accordingly there are excluded from the "reparation" account such items as the cost of the Reparation Commission, the payments made through the clearing offices, and the cost of the armies of occupation.

**The other procedures approved to date by the Reparation Commission are those of: A. The Wiesbaden Agreements signed on the 6th and 7th October, 1921; B. The Bemelmans-Cuntze Agreement of 2nd June, 1922; C. The Gillet-Ruppel Agreement of 2nd June, 1922.

referred to in paragraph A above, the proceeds of any reparation recovery act for the time being in force and referred to in paragraph B above and the value of the transfer and cession of property rights and interests referred to in paragraph C above in such a way as to be able to place as far as possible the value of the other payments which Germany will make to her credit on account of reparations.

Seven. If after 1926 the payments to the Government of the United States in the course of any particular year are insufficient to satisfy the amount due that Government in the course of that year the arrears shall be carried over to a special account bearing simple interest at four and one-half per cent. This amount of arrears shall be liquidated as soon as the payments received from Germany in the course of any year admit and these arrears shall have the same priority as that given under paragraph 3 of Article 2 of the present agreement to the equal annual installments.

Eight. However, if in the course of one of the first four years it should prove necessary to utilize all or a part of the payments in cash made by Germany to cover the costs of the armies of occupation of the European Allies in the course of that year the American priority of twenty-five per cent shall be calculated on the total of the payments in cash made by Germany in the course of that year on reparation account and on the account of the armies of occupation of the European Allied Powers exclusive of paper marks requisitioned to cover part of the costs of these armies of occupation to meet the needs of the armies of occupation for local currency.

The sum to be remitted to the American Government in the course of one of the first four years shall not, however, exceed fifty per cent of the total balance of the payments in cash made by Germany in the course of the year in question on reparation account. If the American priority calculated as above for any particular year cannot be met by the fifty per cent payments calculated as above the balance of this priority shall be chargeable against the payments in cash made by Germany in the course of the following years up to and including 1926 instead of being spread over the payments of the last eight years. At the beginning of 1927 the total deficit which has accrued shall be spread over the payments of the last eight years.

Nine. If at the end of the year 1927 or of any year following the arrears have reached such an amount as might in the opinion of the Government of the United States endanger the complete execution of the payments within the period of twelve years the Allied Governments will, upon the request of the Government of the United States and in agreement with it, use their best endeavors to make such modifications of the present agreement as may seem necessary to insure the complete execution of the payments within the prescribed period of twelve years.

Ten. The Allied Governments, however, reserve their rights in respect of the payments in kind and in cash which might be collected in occupied territory through the intervention of any Allied authority.

Article III. The present agreement has been drawn up in contemplation of annual payments to be made by Germany and with the recognition of the impossibility of foreseeing and determining at this moment the distribution of any extraordinary payment which may be made by Germany in any particular year.

If, however, a loan is floated or an anticipatory payment effected by Germany in any particular manner the Allied Governments will put themselves in communication with the Government of the United States for the purpose of discussing the participation of the United States in such extraordinary payments.

If as a consequence of a loan floated either in America or elsewhere or of any anticipatory payment made by Germany by any means whatever, a moratorium were granted to Germany, the Allied Governments will put themselves into communication with the Government of the United States for the purpose of reaching an agreement which would not cause any prejudice to the Government of the United States.

No discount shall be allowed for any anticipatory payments.

Article IV. The Allied Governments which have approved the agreement of 11th March, 1922, declare that the charge upon the payments in cash to be received from Germany and set up by the last part of Article Eight of the Inter-Allied agreement of March 11th, 1922, in favor of the unpaid balance of the costs of the British and French armies of occupation up to 1st May, 1921, shall only apply to the balance, if such there be, of the German payments after payment of the sums due to the United States in execution of the present agreement. The fact that the Government of the United States has taken note of this declaration cannot, however, be interpreted as an expression of opinion of the Government of the United States with regard to the agreement of 11th March, 1922.

Article V. If the Government of the United States should come to an agreement with the Reparation Commission to receive, in accordance with the provisions of the Peace Treaty of Versailles or any supplementary agreement, German dyestuffs, the value of these dyestuffs determined by agreement between the Government of the United States and the Reparation Commission shall be deducted from the annual payment due to the Government of the United States under the present agreement in the course of the calendar year in which these dyestuffs shall have been received.

If in the course of any calendar year the value of the dyestuffs thus supplied to the United States exceeds the annual sum due to the Government of the United States the excess shall be utilized:—

(A) During the years from 1923 to 1926 to supplement so far as necessary the payments already made so as to bring them for each year up to one-twelfth of the American claim.

(B) During 1927 and the years following to liquidate the account arrears.

If, when these operations have been completed, there still remains a balance this should be regarded as an anticipatory payment of the annual installments fixed in accordance with Article two of the present agreement.

No discount shall be allowed on these anticipatory payments.

Article VI. If at any time the arrears due to the United States reach a total such that the Government of the United States considers that there is a risk of of its not being paid within the prescribed period of twelve years, the Government of the United States shall have the right to abrogate the present agreement if within a period of three months from the date of a notification to that effect the agreement has not been modified to its satisfaction.

In negotiating the present agreement the respective Governments with a view to arriving at an agreement for the payment of the costs of the American army of occupation have voluntarily avoided raising any question of right or interpretation. The respective Governments desire, nevertheless, to state that in case the present agreement should be abrogated for any reason whatsoever each of them reserves the right to maintain all its rights whatsoever may be their extent such as each deems them to exist at this date.

The present agreement shall take effect after such ratifications as may be required in accordance with the constitutional methods of the respective parties and ratifications shall be exchanged in Paris as soon as possible.

MEMORIAL DAY ADDRESS

[Arlington National Cemetery, May 30, 1923.]

VETERANS OF OUR ARMIES:

This is the special day of the nation's gratitude, most genuinely felt and most gladly expressed. I do not believe republics are ungrateful. They may sometimes have the seeming of ingratitude, but since republics must be like the citizens who constitute them, we are bound to believe our Republic full of the gratitude which animates our citizenship.

Sometimes we reasonably may ask what are the most becoming expressions of genuine gratitude. I have seen it in individuals so deep and so engulfing that it could not be expressed in words. Grateful souls are sometimes silent, though inwardly vibrant with grateful appreciation. On reflection I believe the gratitude of action vastly surpasses that of words. It is good to have the spoken expression. The world needs more of it. I wish we might have less condemnation of error and more commendation of right. We ought to have much less of bitter criticism of errors and more of approval and appreciation for things well done. I am not thinking of government so much as of the individual. When we do a helpful thing for the individual, we help the whole community. And I like to think of the individual citizen as a veteran of our contending forces in peace as well as a defender in war, who deserves likewise the gratitude of his countrymen. It little matters what war one served in. The supreme offering of life on the altar of American patriotism was the same in every one. No man could offer more. It calls for gratitude unlimited and unfailing.

The span of life of the republic is yet so limited that veterans of the Mexican War are still surviving, and widows of veterans of the War of 1812 are now on the Government's pension rolls. We rejoice that so many of the Grand Army of the Republic survive to give us the very soul of the day they originated, and we honor the participants in the Spanish-American War, and with all the honored older veterans we gratefully include the fallen of the great World War in the offering of memory. Yes, we are met in memory of the fallen, but I can not escape the thought that the real compensation comes to the living. The fallen do not, can not know of our remembrance of them, but the living may take to their breasts the consolation that the republic does love and revere, and comfort ourselves in so doing. Just as sure as present-day civilization endures, just so sure will the Americans of next year and the next century and the century after that be meeting gratefully on Memorial Day to pay memory's tribute to the soldier dead who had served the Republic. Veterans marching near the shadows, but with heads erect and hearts all brave; veterans of middle age, who look back on marvelous achievement and to the future for still greater; veterans of youth, with the seriousness of life mostly before them, starting with the supreme experience—all may go on, assured of a becoming and grateful remembrance, which is chief among the compensations of life.

I spoke a moment ago of the deeper gratitude expressed in action. My thought was not of compensations or of pensions or of the Government's care for the disabled. These are obligations, and their discharge is a national duty. There can be a gratitude of action which is a still finer and nobler thing. It was a nation grateful in action which followed the Civil War with reunion and reconstruction, and strode forward to a concord of union which did not exist prior to the war, revealed the mutuality of interest essential to the nation expanding in influence and power. It was gratitude of action to develop a union which has been proven to be worth preserving, in spite of all the cost involved. It was gratitude of action which led the republic to keep faith with the ideals of liberty which led the veterans of 1898 to strike at oppression. With the expanded area of the flag has attended the expanded area of liberty which we grant to others, precisely as we demand for ourselves. It is the gratitude of action which has so zealously committed us to the preservation of the civilization for which the World War veterans fought, and the task is only a little less difficult than theirs. Civilization can never be entrenched, it must battle in the open, ever ready to march on. Entrench it and it dies. Its defense must be progressively offensive. In the inspiration of the example of you who have thrice saved the republic, and firm in the belief of the righteousness of American intent, and strong in the faith, we mean to carry on.

There is another gratitude of action which surpasses all expressed in the others, which I hope to see recorded to glorify the last days of the Civil War veterans and to add fullness to the lives of the World War veterans, and tranquilize the lives of all America and the world. I devoutly wish the United States to do its full part toward making war unlikely if not impossible. While I would abhor a pacifist America, I would rejoice to have the United States proven to be unafraid, and yet the most peace-loving and the foremost peace-promoting nation in all the world. We have already proven that we can have less of armament. Let us strive for the assurance that we shall have none of war.

There comes into the lives of each and every one of us, sometimes, a picture never to be effaced from memory. Veterans in the service have seen the suffering and sacrifices and the thrilling heroisms which are never visible except to those engaged in conflict. I have tried to visualize the carnage and conflict and the horrors and suffering of war, softened by the comradery of camp and the less perilous adventures of march and field, but I came to understand how imagination had failed me, when I stood at a Hoboken pier, among 5,000 dead, in their flag-draped coffins, two years ago. Here was death in war's unheeding allotment, corridors of sorrow and sacrifice so far as the eye could see, and grief that no human soul could appraise. Under the spell of the great sorrow which gripped my heart, I said then and repeat now, "It must not be again! It must not be again!"

But the saying is not enough. We must do the things which rational thinking leads us to believe will tend to render war less likely. If we ever have the insanity to make conflict among ourselves we will deserve to sacrifice. But that must never be. Searching our own souls, believing in our own good intent, we can see no cloud on the horizon. We are thinking of no war for us, anywhere. But there was no cloud for us in 1914, and yet we were drawn into the very cataclysm of all wars.

It is not enough to seek assurance for ourselves. I believe it a God-given duty to give of our influence to establish the ways of peace throughout the world. We cannot guarantee, but we can promote the peaceful adjustment of disputes, we can aid in the establishment of the agencies of peace, we can be influential in committing the world to the triumphs of peace and make hateful to humankind the spoils of war. Americans have gloried in our part as the exemplar of representative democracy to aspiring peoples of the world. If we have been successful as the exemplar of democracy there is a duty to perform in pointing the way and influencing the adoption of democracy's peace. This is a world relationship we cannot avoid and will not avoid in the spirit of the America of which we rejoice to boast. But there is one thing which we may do among ourselves alone to make our own participation less likely and banish much of war's hatefulness if national honor must call us to arms.

Standing amid a group of veterans of North and South in glad reunion at Gettysburg in 1913, I heard these sturdy warriors argue how they had been drawn into conflict by the wealth of North and South. That was well enough to argue that kindred Americans had no reason to fight one another. But they were far away from the great cause. Amid the conflicting ideas and interests in the chaos of the great beginning an ambiguity was written into the Constitution and it had to be wiped out. The fathers had not settled the dispute in the making, and their descendants had to fight it out in the development of the nation. It has brought us the needful concord of union and the greater possibilities of the nation. The arguing veterans, fifty years after Gettysburg, on the scene of the world-famed combat, were thinking of industrial greed in the North and slave-owning greed in the South. But in reality their prejudices had been inspired by the hateful profiteering incident to war.

In all the wars of all time the conscienceless profiteer has put the black blot of greed upon righteous sacrifice and highly purposed conflict. In our fuller understanding of today, in that exalted consciousness that every citizen has his duty to perform and that his means, his honor and his life are his country's in a time of national peril, in the next war, if conflict ever comes again, we will not alone call to service the youth of the land, which has, in the main, fought all our wars, but we will draft every resource, every activity, all of wealth, and make common cause of the nation's preservation.

God grant that no conflict will come again, but if it does it shall be without profit to the noncombatant participants except as they share in the triumphs of the nation. It will be a more grateful nation which consecrates all to a common cause, and there will be more to share the gratitude bestowed. More, there will be a finer conscience in our war commitments and that sublimity of spirit which makes a people invincible.

Oh, it is a glad privilege today to utter a special love and reverence for the Civil War veterans who still witness the progress of the nation they saved, and find new reason, from year to year, to glory in their achievement. Out of their example is undying inspiration, for their accomplishment is measureless gratitude. I like to tell these aged veterans before me that long after they are gone we will be gratefully remembering them and all succeeding generations will sing their glory. And every time we meet to memorialize and honor them, every time our successors meet to pay annual tribute, there will be a patriotic resolution in every grateful heart to be worthy of the heritage which these have left behind, each to do his part in the making of a greater and a better republic, mindful of every obligation at home and unafraid to play our part in the world in which he lives.

ADDRESS

[To Imperial Council, Ancient Arabic Order of Nobles of the Mystic Shrine, Washington, D. C., June 5, 1923.]

It is a great pleasure to participate in this opening session of the council. It need not be said that I cordially join in the words of welcome and hearty greetings already uttered. I like the atmosphere of fraternity. I rejoice in the knowledge that I am addressing a body where every heart-beat is loyally American, where every impulse is American, where every commitment and consecration is to the Republic and its free institutions.

Sometimes there are false impressions about fraternal organizations. No man ever took the oaths and subscribed to the obligations with greater watchfulness and care than I exercised in receiving the various rites of Masonry, and I say it with due deliberation and without fear of breaking faith, I have never encountered a lesson, never witnessed an example, never heard obligation uttered which could not be openly proclaimed to the world. More, if the lessons taught were heeded, if the obligations read were assumed, if the relationships urged were adopted men would be infinitely better in their human relationships. Fraternities must be just, if they are to survive. And they must be just to appeal to men in their fellow-relationships. Secret fraternity is one thing, secret conspiracy is quite another. This meeting today is in ennobled fraternity.

One must recognize that fraternity has its abuses. Abused fraternity is no more avoidable than the hypocrisy which teaches how beautifully worth while is honest religion. But fraternity deals with realities and cures its own abuses. A President would not be ethical if he related fraternal appeals to which he must turn a deaf ear. I will have said enough if I suggest that men lose their right of fraternal hearing when they transgress the law of the land.

The abuse I had in mind is the imposition upon fraternal relationship to promote selfish ends. Perhaps a recital of a home town experience will illustrate my point. There came to our town two brothers to engage in a mercantile enterprise. One joined the Methodist Church and the other the Presbyterian. Still business failed to move with a whirl. Then one joined the Masons and the other the Knights of Pythias. They picked out the churches with the larger congregations and the fraternities with the larger membership. Some local observer wondered at these divergent inclinations in two brothers, and there was comment about it. Here was fraternity being played for selfish ends.

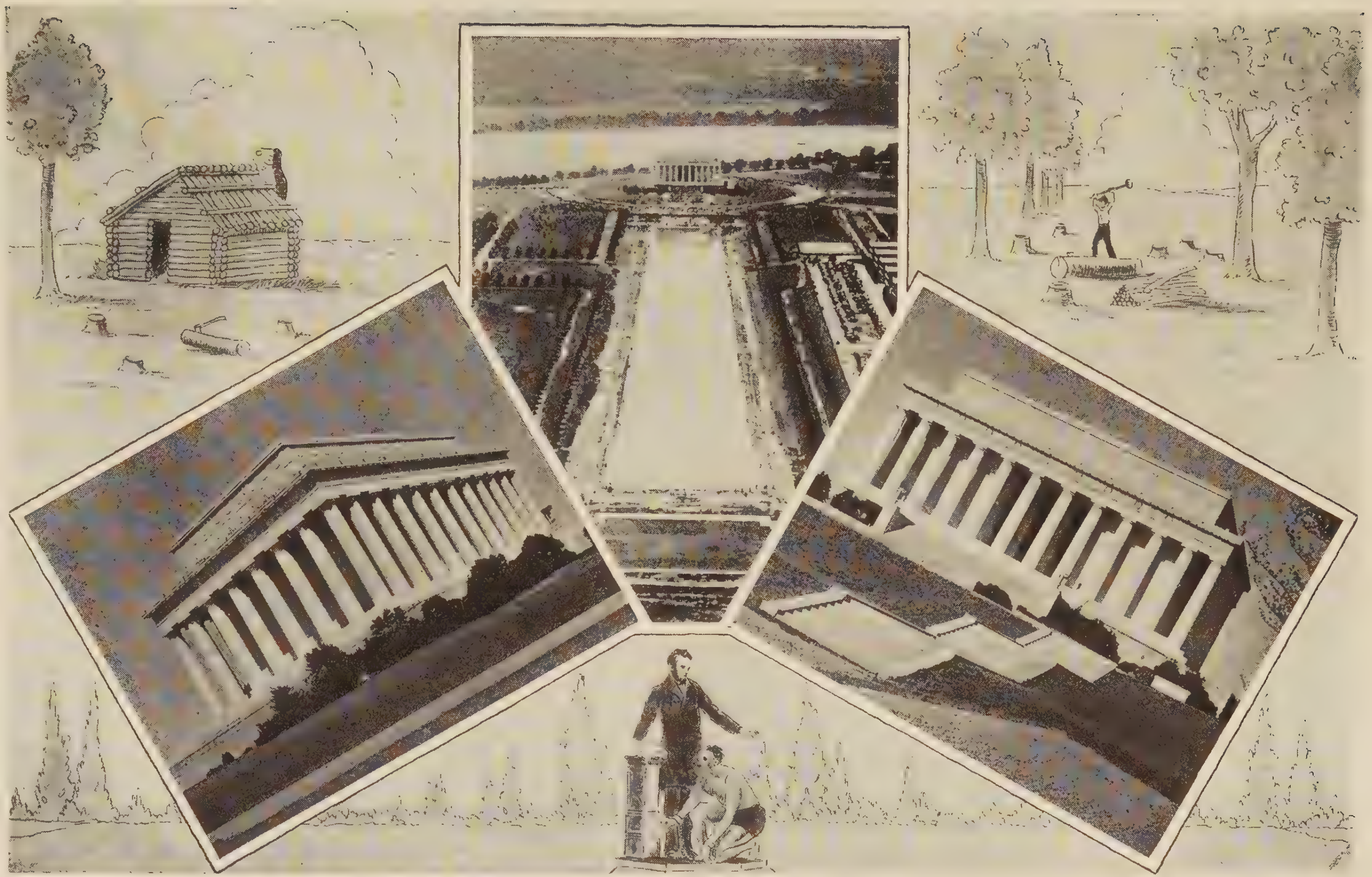
We had another fraternity, rare in kind and transitory in existence, which dealt with men's idiosyncrasies and foibles and imperfections. It was a fraternal playground which sometimes witnessed rough play, and performed many a surgery in character. So the lure of membership in the Ancient and Honorable Order of Haymakers was held out to the joining merchants, and they fell for it. The fee was very modest and the treasurer spent all the funds at each meeting of the order, but the initiation was imposing, revealing and never forgotten.

When the two merchants came to receive their degree, their first revelation came to them while locked in a little six by eight antechamber, between which and the lodge room there was a partition only eight feet high, with a great open space above through which could be heard all that was said among the Haymakers in solemn session. The eligibility and desirability of the candidates were discussed for an hour, and I fear, alas, the candidates heard every word. Their joining proclivity was emphasized, and I suspect objections were urged that were not wholly justified. In a bit of cheating, which must have been forgiven ere this, the ministers of the two churches were impersonated, though the impersonators sometimes fell short of clerical terms of speech.

The Haymakers, with rare facility, turned tanners, and did a wonderful job of it. Manifestations of restlessness in the ante-room were ignored and after the alleged pastors had retired to their homes the degree was given, and given without stint. All went well until the next day when the two brothers started out to interview the ministers who had spoken. It was difficult for the innocent ministers to understand, but the two joiners soon came to understand and the Haymakers lost two members, the town lost its new mercantile establishment within a week and two strangers who donned the cloak of fraternity for commercial gain saw themselves as others appraised them.

There is an honest and righteous and just fraternal life in America. It embraces millions of our men and women, and a hundred fraternal organizations extend their influence into more than a third of American homes and make ours a better Republic for their influence. Fraternity is inherent in man, it is manifest in the beasts of the field and the birds in the air. It is our obligation to make the most of it for human betterment. It more than enters our daily life and ministers ten thousand daily charities and fraternal reliefs. In the lodge room there is molded what becomes public opinion and contributes to the moving forces of developing civilization. It matters not what is said of human selfishness, it matters not what seeming lack of sympathy and fellowship is sometimes encountered, every man worth while has in him the yearning to be worth while, to do that which gives him title to the activities of human brotherhood. It is the business of organized fraternalism to turn these natural traits to highest helpfulness. In every worthy order the principles of civil and religious liberty, justice and equality are taught in lecture and obligation. A respect for the rights of others, the very essence of fraternity, is stressed everywhere until the rule of justice is the guarantee of righteous fraternal relationship.

I wish somehow we could have fraternity among nations, as it is taught in America among men. I do not mean to employ sign, grip and password, which afford an appealing mystery to our relationship, but the insistent demand for just dealing, the respect of right of others, and the ideals of brotherhood recited in the Golden Rule, and the righteous fellow-relationship which every man knows his God approves. Under such a reign of fraternity cruel human warfare will never come again. I like the highly purposed fraternity, because it is our assurance against menacing organization. In the very naturalness of association men band together for mischief, to exert misguided zeal, to vent unreasoning malice, to undermine our institutions. This isn't fraternity, this is conspiracy. This isn't associated uplift, it is organized destruction. This is not brotherhood, it is the discord of disloyalty and a danger to the republic. But so long as 20,000,000 of Americans are teaching loyalty to the flag, the cherishment of our inherited institutions and due



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THE LINCOLN MEMORIAL AT WASHINGTON

THE LINCOLN MEMORIAL

The central panel on the preceding page shows the scene at the dedication of the memorial to Abraham Lincoln at the capital of the country which he held together. The view was taken from the top of the Washington Monument, which faces the Lincoln Memorial from the observer's end of the lagoon. In the background flow the placid waters of the Potomac. The panel to the right gives a closer view of the Memorial and that on the left gives a rear view taken from the Potomac. A view of the statue of Lincoln within the Memorial will be found opposite another page. See also the Encyclopedic Index, "Lincoln Memorial."

President Harding's address at the dedication exercises of the Lincoln Memorial begins on page 9127. It is interesting to compare his analysis of Lincoln's character with the analysis of President Wilson, on page 8160.

regard for constitutional authority, and the love of liberty under the law, we may be assured the future is secure.

There is no misconstruing the aims and purposes of our loftier American fraternalism. For the great brotherhood there is the patriotic appraisal of the heritage of the republic. Here is representative democracy, wrought in sacrifice and toil, amid liberty's highest aspirations, and no force or violence, no alien purpose, no social madness shall be permitted to destroy it.

I think I know the very soul of Masonry, out of which the Shrine has come to lighten our burdens and add cheer to our daily lives. There is both quantity and quality in the nobility of the Shrine. It is more than a mere Masonic playground. Conceived in cheer the order hungered for more than play, though we need more of play in our daily lives. It craved to be helpful, and it is aglow in noble achievement. Its initiates have been schooled in patriotism and welcomed new commitment to home and country. I like to think there is special significance that this year the Imperial Council has come to Washington, bringing the Shrine to the monumental shrine of the great father of the nation, to pledge afresh love for the republic, loyalty to its institutions and an exalted brotherhood for those who consecrate life and sacred honor to its preservation.

EXECUTIVE ORDERS

[Secretary of Interior to Operate Alaskan Railroad.]

THE WHITE HOUSE, *June 8, 1923.*

By virtue of the authority vested in me by the Act of Congress approved March 12, 1914, entitled "An Act to authorize the President of the United States to locate, construct and operate railroads in the Territory of Alaska, and for other purposes," I hereby authorize and direct the Secretary of the Interior to operate the railroad or railroads, branch lines, feeders and telegraph and telephone lines incident thereto, constructed or acquired under the Act of March 12, 1914, or acts supplemental thereto, in all respects and to all intents and purposes the same as if the operation thereof had been placed by law under the jurisdiction of the Secretary of the Interior. WARREN G. HARDING.

[Secretary of Navy to Enforce Prohibition in Virgin Islands.]

THE WHITE HOUSE, *June 19, 1923.*

Pursuant to the authority conferred in the Act "to provide a temporary Government for the West Indian Islands acquired by the United States from Denmark," etc., approved March 3, 1917, the administration of the National Prohibition Act in those Islands, now known as the

Virgin Islands of the United States, is hereby transferred from the Secretary of the Treasury to the Secretary of the Navy.

WARREN G. HARDING.

LETTER

[Abolition of Twelve-Hour Day in Steel Industry.]

June 18, 1923.

(Made public on July 5, 1923.)

My dear Judge Gary:

I have now had an opportunity of reading the full report of the committee of the Iron and Steel Institute on the question of the abolition of the twelve-hour day in the steel industry. As I have stated before I am, of course, disappointed that no conclusive arrangement was proposed for determination of what must be manifestly accepted as a practice that should be obsolete in American industry. I still entertain the hope that these questions of social importance should be solved by action inside the industries themselves, for it is only such solutions that are consonant with American life and institutions.

I am impressed that in the reasoning of the report great weight should be attached to the fact that in the present shortage of labor it would cripple our entire prosperity if the change were abruptly made. In the hope that this question could be disposed of I am wondering if it would not be possible for the steel industry to consider giving an undertaking that before there shall be any reduction in the staff of employes of the industry through any recession of demand for steel products or at any time when there is a surplus of labor available, that then the change should be made from the two shift to the three shift basis.

I cannot but believe that such an undertaking would give great satisfaction to the American people as a whole and would indeed establish pride and confidence in the ability of our industries themselves to solve matters which are so conclusively advocated by the public.

WARREN G. HARDING.

To Judge E. H. Gary.

STATE DEPARTMENT ANNOUNCEMENT

[Smuggling of Liquor from Canada.]

June 22, 1923.

The Department on March 7, 1923, addressed a note to the British Ambassador for transmission to the Canadian authorities which note drew the attention of the Canadian authorities to the fact that difficulties were being experienced in enforcing the prohibition laws of the United States along the Canadian border because the Canadian authorities permitted small motor boats to take on cargoes of liquor and to make a regular customs clearance to some port in the United States thus complying with the Canadian law which prohibits the sale of liquors to persons in Canada but allows the exportation to a foreign country. In this note it was suggested that since the importation of liquor into the United States without a permit is illegal the Canadian authorities might be disposed to decline clearance papers to vessels with cargoes of liquor destined to ports in the United States unless a permit authorizing its importation is presented.

The Department on June 19, 1923, received a note from the British Ambassador which stated that the Government of Canada had carefully investigated the matter and had ascertained that the provisions of the law were being properly observed. The Government of Canada further stated that the export of liquor is not prohibited from Canada and that there exist no provisions in the customs laws or regulations which would warrant the refusal of clearance papers to vessels carrying liquor destined for a foreign port simply because of the fact that the entry of such liquor, without special permits, is prohibited at the foreign port in question. The Government of Canada, therefore, regrets their inability to adopt the suggestion put forth by the United States Government in regard to this matter.

ADDRESSES ON TRIP THROUGH THE WEST

[International Court of Justice.]

St. Louis, Missouri, *June 21, 1923.*

My Countrymen: In an official journey from Washington to our great Territory of Alaska, our first stop halts us in your hospitable city, and affords an opportunity for renewed acquaintance and better understanding. I suppose it is a perfectly natural expectation that when the President travels he must stop and make report to the community he is seeking to serve. It has seemed to me that nearly every city and village from the Potomac to the Pacific has bestowed an invitation and a tender of hospitality. I like to say to you, because in saying it to you I am speaking to many others in this marvelous age of communication, that I very genuinely regret the impossibility of accepting all of them. Quite apart from the personal satisfaction and renewed assurance in direct contact with our people, I think there is vast benefit in bringing the Government a little closer to the people, and the people a little closer to Government and closer to those temporarily charged with official responsibility.

You view government from afar, and I am not surprised that you wonder now and then, because you receive occasional reflexes which are so erroneous that official Washington itself can not understand them. And those of us who are in Washington live in an atmosphere of officialdom which often hinders our knowledge of the thoughts around the American fireside, and the activities which daily make the essential life of the nation. These are conditions not easily to be avoided. Our Government is the biggest business in the world, and like any other business it requires the management to be more or less diligently at work.

Congress has been more or less continually in session for eight years, and under our coordinated form of government the President must be more or less "in session" at the same time. So I have welcomed this opportunity to see the great Central Valley, the Mountain West, the Pacific Coast, and our treasure land in Alaska. I am rejoiced to speak to you as your President, reporting on the state of affairs to the stockholders of this republic.

I do not come with a partisan report, though I am politically a partisan and believe in the utter necessity of political parties. One only serves his party by first serving his country well, and good service to his country ought to be the aspiration of every citizen of our land.

The present national administration came into responsibility at a very difficult time. Our country found itself in a bad way in the aftermath of World War. We had expended in heedlessness, we had inflated in madness, we had rushed into the abnormal, and found ten thousand difficulties in resuming our normal stride. There was the inevitable business slump. It follows every war. It applies to business in every line—finance, industry, agriculture. And business reflexes are felt by every citizen, no matter how humble or how great. We found in the inevitable reflux of the war tide threatened financial ability, agricultural distress, and vast unemployment. A survey of unemployment revealed four and a half to five millions of workers without jobs. I leave the appraisal of all relief efforts, legislative, executive, or administrative, to your own judgment. The thing I want to say is that this distressing situation has been wholly reversed, and to-day employment is calling for men. There is complaint about that, too, but since we can not always preserve the actual balance, I prefer a land which is seeking workmen to a country where discouraged men are hunting for jobs.

I like to believe that the recovery is based mainly on confidence in the American policy and the fundamental righteousness of our institutions. I like to believe we have recovered because we avoid the paths of destructive experimentation, ignore mad theories, and cling tenaciously to the foundations of business and property rights and human rights, which have made ours the most rapidly and most safely developed representative democracy in all the world.

We have done more than banish unemployment; we have made our way to financial stability, without which there is little permanent employment. And we halted the extremists who caught their inspiration in European madness, and proposed to destroy our social order because of temporary ills, rather than cure the ills.

I believe America to-night is a fine example to the world, with confidence in herself, of a people capable of laying aside their arms, grappling a reconstruction problem, and digging down to hard work to effect the needed restoration, rather than to fling aside all we had wrought in a century of hopeful progress, and thereby subscribe to destruction in the name of social democracy. We gave business a chance to resume, and assured it that honest success is no crime in the United States. We assured it that the Government wasn't going into business, but that we meant to get out of it. Then to prove that we meant to have more business in government, we struck at the extravagance which grew in war's fevered activities, we pruned Government expenditures and reduced the Government personnel, not by thousands but by tens of thousands, and went a long way in reducing Government outlay.

Measures were adopted to lighten the taxation load and distribute the burdens more equitably. We sought to substitute for the exactions of war the convictions of peace. We inaugurated the budget system of Government financing, and thereby effected reductions in Government outlay amounting to billions. Of course, this enormous reduction was made possible mainly because we suspended war activities and ended war commitments, but we drove at the ordinary expenditures in the peace-time business of government, and lopped off hundreds of millions at a time, and we have proven to the world, in spite of a gigantic debt and its interest burdens, that here is a Government resolved to live within its income.

The fiscal year, now near its close, threatened a $800,000,000 deficit when its financial budget was in the making, but we cut and trimmed, and insisted upon reduced expenditures, and it will close with a $200,000,000 surplus.

These are rather dull facts, but they are interesting to the Government because they afford the proof that Government itself joined in the tremendously essential task of striking at its own cost. We were always keeping in mind the people who pay in lifting our country out of the slough of depression and despondency.

In the simplest expression possible, we were trying to get this great country of ours on the right track again. The anxiety was in behalf of no one interest, but for all interests. We were anxious alike for the great captain of industry and his working army. We had concern for him whom we sometimes call the little chap, who makes up the great industrial procession, but who is little noted because he walks in the ranks, but whose good fortune is a foremost essential to a national happiness and contentment. We safeguarded against our own destruction being effected by the world's demoralization, but we never hindered the world's honest efforts at recovery. On the whole, we contemplate fortunate conditions to-day, and I believe they are going to abide. We are the most prosperous people in the world. I do not share the belief that we have effected only temporary relief. I never did share the convictions of many men that our permanent recovery could only come after complete collapse, which we have so happily avoided.

It is too early now to safely appraise the competition of the world restored, but the world must take cognizance of the new order as well as we. War wrought an emancipation of men and changed conditions of production which the Old World must recognize before a stable order is restored to it. Our recovery is based on a prompt recognition of the new order, socially just and economically sound, and I am sure we will carry on.

It is very gratifying to contemplate our conditions at home, wrought amid many manifestations of impatience, but, in spite of discouragements, the record is made. I share your gratification, and have full confidence for the morrow.

These things, briefly related, with great satisfaction in progress made, are meant to serve as a foundation for a wholly frank statement to you of St. Louis and Missouri, and to all the United States, concerning my convictions about the attitude of this republic toward other nations of the world. The President's impressions concerning international relationships are necessarily founded upon official experience which can come, because of the duties of office, to none other except the Secretary of State.

The endless problems of foreign relations are relatively little revealed to the world. Most frequently they are more readily adjusted because they are not revealed, though it is fair to assure you that nothing of vital importance is unduly hidden from the people for whom the Government speaks. Week by week, day by day, often hour by hour, there are problems in our international relations which are no more to be avoided than the vital questions of our own relationships at home. The citizen who believes in aloofness is blind to inescapable obligations and insensible to the twentieth century world order and unmindful of our commercial interdependence about which the modern business fabric has come to be woven.

In his never-to-be-forgotten Farewell Address, in which the first president compressed the gospel of our mutual interests at home and our proper relations abroad, he said:

"Observe good faith and justice toward all nations. Cultivate peace and harmony with all. Religion and morality enjoin this conduct. And can it be that good policy does not equally enjoin it? * * * The experiment, at least, is recommended by every sentiment which ennobles human nature. Alas, is it rendered impossible by its vices?"

This solemn admonition was addressed by George Washington to his fellow countrymen one hundred and twenty-seven years ago. That it has been heeded scrupulously we are proud to assume the world believes. That we have, indeed, observed good faith and have exalted justice above all other agencies of civilization, barring only Christianity, surely none can deny with truth.

And we have cultivated peace, not academically and passively merely, but in practical ways and by active endeavors. Even as Washington appended his signature to his most memorable and far-reaching declaration, a new principle had been written into the treaty of peace between Great Britain and the United States, had been sustained by the Congress, at his resolute insistence, and was in full force and effect. That principle was arbitration, which was not only employed successfully at the time, but became from that moment an established policy of the Republic, from which, to this day, there has been no departure.

Thus, clearly, by the method already operative in substituting reason for prejudice, law for obduracy, and justice for passion, the Father of His Country bade us, no less than his contemporaries, not merely to countenance and uphold but actively to cultivate and promote peace. It is with that high purpose in mind and at heart, men and women of America, that I advocate participation by the United States in the Permanent Court of International Justice.

Two conditions may be considered indispensable:

First, that the tribunal be so constituted as to appear and to be, in theory and in practice, in form and in substance, beyond the shadow of doubt, a world court and not a league court.

Second, that the United States shall occupy a plane of perfect equality with every other Power.

There is no consequential dispute among us concerning the League of Nations. There are yet its earnest advocates, but the present administration has said, repeatedly and decisively, that the league is not for us. There admittedly is a league connection with the world court. We cannot hope to get anywhere except in the frankest understanding of facts. The authors of the court protocol, cooperating with a brilliant American leadership, turned to the league organization for the court electorate, to solve a problem in choosing judges heretofore unsolvable. Though I firmly believe we could adhere to the court protocol, with becoming reservation, and be free from every possible obligation to the league, I would frankly prefer the court's complete independence of the league.

Just as frankly let me say that I have not held it seemly, in view of oft-repeated declaration favorable to the World Court establishment, to say to the nations which have established very much what we have wished, that they must put aside their very commendable creation because we do not subscribe to its every detail, or fashion it all anew and to our liking, in every specific detail, before we offer our assistance in making it a permanent agency of improved international relationship.

Government can never successfully undertake the solution of a great problem unless it can frankly submit it to the people. It is for these reasons that I confess these objections. I recognize the constitutional requirement of Senate ratification, and I believe that the tide of public sentiment will be reflected in the Senate. I am so eager for the ultimate accomplishment that I am interested in harmonizing opposing elements, more anxious to effect our helpful commitment to the court, than I am to score a victory for executive insistence. Let us, therefore, appraise some of the determining factors which must be considered in hopefully mapping our course.

Nearly three years ago, by an overwhelming majority, the people rejected the proposal of the Administration then in power to incorporate the United States in the League of Nations. To assert that those 16,000,000 voters did not know what they were doing is to insult their intelligence, and to deny the facts. Whatever other considerations may have influenced their judgment were purely incidental. The paramount issue, boldly, defiantly advanced in unmistakable terms by the Democratic Party and espoused by the Democratic candidate for President was indorsement of the demand of the then Democratic President. I dislike the use of party names in dealing with a problem which has now passed far beyond party association, but I want the world court proposal utterly disassociated with any intention of entrance into the League, and recite the history to paint the background. Moreover, I am so earnest in my desire to have the United States give support to the court that I would gladly wipe out factional difference to effect the great accomplishment.

If the country had desired to join the League, in 1920 it had its opportunity. It most emphatically refused. It would refuse again, no less decisively to-day.

There has been no change in condition. It is the same League. Not a line in the rejected covenant has been altered, not a phrase modified, not a word omitted or added. Article X still stands as the heart of the compact. Article XI and all other stipulations objected to and condemned by the American people remain untouched, in full force in theory, however circumspectly they are being ignored in practice.

In the face of the overwhelming verdict of 1920, therefore, the issue of the League of Nations is as dead as slavery. Is it not the part of wisdom and common sense to let it rest in the deep grave to which it has been consigned, and turn our thoughts to living things?

But let there be no misunderstanding. I did not say three years ago, and I do not say now, that there is no element in the League organization which might be utilized advantageously in striving to establish helpful, practical cooperation among the nations of the earth. On the contrary, I recognized generally then, and perceive more precisely now, rudiments of good in both the League and the Hague Tribunal. Having marked the fundamental difference between a court of international justice, which I espoused, and the council set up by the League covenant, which I disapproved, as "the difference between a government of laws and a government of men," I said plainly on August 28, 1920: "I would take and combine all that is good and excise all that is bad from both organizations."

That is exactly what I am now proposing to do. The abstract principle of a world court found its genesis in the Hague Tribunal. The concrete application of that principle has been made by the league. Sound theory and admirable practice have been joined successfully. The court itself is not only firmly established but has clearly demonstrated its utility and efficiency.

It is a true judicial tribunal. Its composition is of the highest order. None better, none freer, from selfish, partisan, national, or racial prejudices or influences could be obtained. That, to the best of my information and belief, is a fact universally admitted and acclaimed. I care not whence the court came. I insist only that its integrity, its independence, its complete and continuing freedom be safeguarded absolutely.

The sole question is whether the requirements which I have enumerated as essential to adherence by the United States can be met. My answer is that where there is a unanimous will, a way can always be found. I am not wedded irrevocably to any particular method. I would not assume for a moment that the readjustment of the existing arrangement which appears to my mind as feasible is the best, much less the only, one. But, such as it is, I submit it, without excess of detail, as a basis for consideration, discussion, and judgment.

Granting the noteworthy excellence, of which I, for one, am fully convinced, of the court as now constituted, why not proceed in the belief that it may be made self-perpetuating? This could be done in one of two ways, (1) by empowering the Court itself to fill any vacancy arising from the death of a member or retirement for whatever cause, without interposition from any other body; or (2) by continuing the existing authority of the Permanent Court of Arbitration to nominate and by transferring the power to elect from the council and assembly of the League to the remaining members of the court of justice.

The fixing of compensation of the judges, the supervision of expenditures, the apportionment of contributions, etc., could also be transferred from the League to either the court of arbitration or a commission designated by the member nations. Thus, incidentally, would be averted the admitted unfairness of the present system, which imposes a tax upon members of the League who are not subscribers to the court.

The exclusive privilege now held by the League to seek advisory legal guidance from the court might either be abolished, or, more wisely perhaps, be extended to any member or group of member nations. Thus all would be served alike, subject as now to determination by the court itself of the kind of questions upon which it would render judgments.

The disparity in voting as between a unit nation and an aggregated empire, which now maintains in the assembly of the League, to which many object, because of apprehensions which I do not share, would, under this plan, disappear automatically.

These observations are not to be construed as suggesting changes in the essential statute of the court, or the enlargement or diminution of its numerical strength, or modifying the proper provision that a nation having a cause before the court, which is not represented among the judges, may name one of its own nationals to sit in that particular case.

Such, in brief, is an outline of the basis upon which I shall hope, at the opening of Congress, for the consent of the Senate to initiate negotiations with the Powers which have associated themselves with the Permanent Court of International Justice.

No program could be devised that would win unanimous approval either at home or abroad. We can not hope to attain perfection or to satisfy extreme demands. The best and the most we can do is to appeal, let us hope successfully, to reasonable minds and, with sturdy faith, be true to ourselves and ready for our duties as liberty-loving, duty-realizing Americans.

There are those who openly advocate our proposed association with the court of justice as a first step toward joining the League of Nations. Their number is not large, and they can not hope to prevail. There are those who, in fear and trembling, proclaim their opinion that this mighty republic should live as a hermit nation. They, too, are few and hold to an impossible position. Both are extremists. In an endeavor to obtain actual results, both may be safely omitted from serious consideration.

But two great groups, comprising a vast majority of our people, need to be considered. And between these there lies no difference in professed desire. I am striving for fulfillment of that expressed desire. Both urge participation of the United States in a World Court of Justice, in fulfillment of our age-long aspiration and in conformity with our unbroken tradition. They agree that to achieve its fundamental purpose of substituting justice for warfare in the settlement of controversies between nations, such a tribunal must be its own master. The distinction between the two is not one of essential principle or of avowed intent, but one only of fact and opinion.

There are those who hold that the creation of the existing court under a distinct protocol, instead of directly under the covenant of the league, removes every tincture of subservience or obligation. For present purposes, granting its correctness, there can be no real objection to clarifying the fact in plain, simple terms, to the end that all doubts shall be dispelled and that all minds shall be wholly convinced by ready understanding instead of being only partially persuaded by intricate exposition. If, as we all believe, the corner stone of every judicial structure is unquestioning faith in its integrity, I am unwilling to deprive it of any particle of strength which would enhance popular respect for and confidence in its decisions. Surely no harm, but rather much good, might spring from simplification of an admitted condition.

The other large group comprises those who, while equally earnest in advocacy of an international tribunal, regard the present court with suspicion because of its origin. This objection, for reasons which I have noted, is unimportant. Indeed, from a practical viewpoint, I consider it a matter of distinct congratulation that there is in existence a body which already has justified itself, upon its merits, by demonstration of its character and capabilities.

If American adherence could be made effective in the reconstruction of the court, with respect to its continuing operation, that would seem to dispose conclusively of all other cited apprehensions of danger from the exercise of any influence whatsoever, either open or furtive, by the League of Nations or by any other organization.

The whole question of support or opposition on the part of these two controlling groups clearly resolves into a test of sincerity. When once American citizens have comprehended that vital point, I shall have no doubt of their answer.

I have taken a very frank cognizance of the avowed objections, because we have come to this very test of sincerity. Except for the very inconsiderable minority, which is hostile to any participation in world effort toward security, which our better impulses are ever urging, there is overwhelming sentiment favorable to our support of a world court. But I want the United States to give its influence to the world court already established. Since any adherence must be attended by reservations, I am willing to give consideration to our differences at home and thereby remove every threatening obstacle worth considering, so we may go whole-heartedly to the world with an authorized tender of support.

So much for the domestic phases of this problem. But there is another. I hear the voice of the doubter: "This is all very well, but it can not be done. The forty nations which have signed the protocol will refuse to make these changes. They have formulated their plans, have arranged their procedure, have constructed their machinery, have established a going concern; they are not only themselves content, but they can see no reason why the few remaining Powers should not be equally satisfied with the result of their endeavors. They will resent the mere suggestion of such proposals by the United States as an attempt at dictation. It would be an act of discourtesy, if not indeed of unfriendliness, on the part of the American Government to approach them along these lines. They will spurn the offer. They will not brook interference from an outsider. They will not consent to upset or modify their *fait accompli*. The whole project will fall to the ground."

To which I reply: Primarily, at this time, it is to satisfy the acknowledged hope and to comply with the earnest wish of our sister states that we are striving to find a way to join and strengthen the one body created by them which bears promise of eliminating the need of war to regulate international relations. We wish no more of war. To submit terms which we consider essential to the preservation of our nationality is not an act of discourtesy; it is the only fair, square, and honorable thing a great, self-respecting nation can do. So far from being unfriendly, it springs from a sincere desire, through frank and intimate association, to help to restore stability, and, in the words of Washington, to "cultivate peace" throughout the world.

Manifestations of resentment at our pursuing this natural and usual course would appear far less as evidences of indignation than would attend a course of aloofness, or an utter disregard for so notable an international endeavor.

The United States is not a suppliant. Nor has it the slightest desire to become a master. It is and must be an equal, no more and no less, regardless of its relative material power or moral authority, ever conscious of its own rights, but never denying the like, in even proportion, to another.

And what is the crux of conditions which I have ventured to suggest as constituting a basis for negotiation?

The making of the World Court precisely what its name implies, and for which we have so earnestly spoken.

Can it be possible that, despite their protestations to the contrary, this is not what some of our sister states at heart desire? Must there be a test of sincerity abroad as well as at home? Then the more quickly it can be made, the better for them and the better for us. There is nothing to be accomplished in ambiguity. We want to know. And the only way to find out is to inquire.

Very recently a striking message was flashed through the air from Rome to Washington. "Tell America," said the vigorous Prime Minister, "that I like her, like her because she is strong, simple, and direct. I wish Italy to be the same and shall try to make her so." God speed him! And God grant that America shall never forfeit the high honor borne by that sentient tribute from Mussolini!

I can not doubt that you will accord, at least, the merit of simplicity and directness to what I have said. Understand clearly, I do not advocate compromise. I merely reiterate and stand squarely for every pledge I have made. I still reject as unwise, untraditional, and un-American any foreign political alliance or entanglement. I still "favor with all my heart association of free nations, animated by considerations of right and justice, instead of might and self-interest, so organized and so participated in as to make the actual attainment of peace a reasonable possibility." I strongly urge adherence to the Permanent Court of international justice as the one and only existing "agency of peace" to which we can safely subscribe without violating the basic principles of our national being.

I neither advance nor retreat from the position which I assumed in my recent message to the Senate. My sole purpose to-night has been to amplify the constructive suggestion which, at what appeared to be a proper time, I placed before the country for consideration and judgment. Broadly, and yet I trust with sufficient particularity, I have indicated ways and means for realization of our common aspiration.

Further than that I shall not go. I shall not attempt to coerce the Senate of the United States. I shall make no demand upon the people. I shall not try to impose my will upon any body or anybody. I shall embark upon no crusade. Hereafter, from time to time, as to-night, acting strictly within, but to the full limit of, my constitutional authority, I shall make further exposition of my matured views and maturing proposals, to the end that we not only "remind the world anew" by our words, but convince the world by our deeds, that we do, in fact, stand "ready to perform our part in furthering peace," and in regaining the common prosperity which can come only through the restoration of stability in all affairs.

But I shall not restrict my appeal to your reason. I shall call upon your patriotism. I shall beseech your humanity. I shall invoke your Christianity. I shall reach to the very depths of your love for your fellow men of whatever race or creed throughout the world. I shall speak, as I speak now, with all the earnestness and power of the sincerity that is in me and in perfect faith that God will keep clear and receptive your understanding.

I could not do otherwise. My soul yearns for peace. My heart is anguished by the sufferings of war. My spirit is eager to serve. My passion is for justice over force. My hope is in the great court. My mind is made up. My resolution is fixed.

I pass from Washington to Lincoln. "With malice toward none, with charity for all," accurately depicts our attitude toward other nations. All in equal measure hold our sympathy in their distress and our hope for the quick coming of better days. We would make no invidious comparisons.

It is but natural, nevertheless, that we should feel, and it is proper that we should express due appreciation of conduct which conforms notably to our own conceptions of what honor, integrity, sagacity, and gratitude require of self-respecting nations. I consider it eminently fitting at this time to voice the keen admiration and enhanced regard of this country for Great Britain as an immediate consequence of her frank acknowledgment and sturdy assumption of a financial obligation which, though incurred for the preservation of her very existence, added materially to her already heavy burdens.

Nor can I withhold from the German Democracy just recognition of its new Government's clear manifestation of faith in our consciousness of fairness as the chief requisite of a peace settlement between her Government and ours, and of our disinterestedness in all matters pertaining to the adjustment of European affairs.

It has ever been an irresistible impulse of our liberty-loving people to welcome a triumph of democracy over autocracy and a substitution of popular government for monarchical domination. Hence our earnest hope that a just settlement, terms of which we do not pretend to indicate, will be made in Europe, satisfying the just dues of democratic and heroic France, so that Germany may make good in her promises of reparations, and therein German Democracy may establish a national honor which the monarchy had not conceived, and then take her place in support of the Permanent Court of International Justice.

Our neighbor to the south, for whom we have only good will and good hope, will soon, I trust, be in a position to make practicable resumption of fraternal relations with this country, and, following that happy consummation, what more natural than that Mexico, too, along with Germany and, let us hope, Turkey, should accompany the United States, upon terms equally essential to her welfare, into the great tribunal; then it will become indeed a true world court.

Thus, briefly, my friends, I have revealed the hopeful anticipations of my mind, and the trustful longing of my heart. I feel that the time for America to take the first, long stride in restoration of a desolate and despairing world has come, and that the way stretches clear, though far, before our eyes. May our vision never be clouded by spectres of disaster or shadows of dismay! If, in our search for everlasting peace, we but let lead, and follow humbly but dauntlessly, the "Kindly Light" of divine inspiration to all human brotherhood, gleaming like a star in the heavens, from the most beautiful hymn ever written, God will not let us fail.

[Transportation Problem.]

KANSAS CITY, MISSOURI, *June 22, 1923.*

MY COUNTRYMEN: Stopping as I am, en route across the continent, to make an official visit of inquiry to the vast territory of Alaska, I stand before you to offer greetings, and bring, if possible, the federal Government a little closer to you and the people of the United States closer to their Government. I confess it has been something of a problem to select subjects for localities, and take cognizance of the territorial interest in the spoken word, and at the same time keep in mind that the printed speech, in the days of modern publicity, is available to all America. I do not mean that there are any circumstances under which the President would say a thing in Kansas City that he could not say in New York, New Orleans, or San Francisco, because our varied national interests are wholly mutual in their last analysis.

Ours is a common country, with a common purpose and common pride and common confidence. I am thinking rather of the enlarged audiences with the marvels of the radio. I was speaking to you last night in St. Louis, precisely as I am speaking to Denver, Chicago, and elsewhere to-night. We have come into very close communication in the United States, and we shall infinitely profit if it brings us into closer and fuller understanding. I know of nothing which will so promote our tranquility and stability at home and peace throughout the world as simple and revealing and appealing understanding.

Production is the very lifeblood of material existence and commerce is its vitalizing force. Put an end to commerce and there will be no cities, and farm life will revert to the mere struggle for subsistence. And there can be no commerce without transportation. In all the exchanges which make for commercial life, transportation is as essential as production.

Not long ago, while discussing the distressing slump in agricultural prices which threatened the very existence of farm industry, a caller drew from his pocket an old Ohio publication, a weekly newspaper of the early forties of the last century, and turned to the quotations on live stock, dairy, and farm products. Wheat was 40 cents the bushel, pork 3 cents the pound, butter 5 cents the pound, potatoes 8 cents the bushel. Not many automobiles in returns like those. But that was before the age of motor cars, that was in the flatboat era, when a cargo of farm products had to be floated down the Scioto and Ohio Rivers 250 miles to market. The prices were a reflex of the crudity of transportation. And manufactured products were correspondingly high to the consumer, because there was the same crudity of transportation in distribution. The stage coach, the wagon train, and the flatboat were speed wonders of that day, and the canalboat was the last word in luxury on many waters. The great Missouri Valley was then unrevealed, and only awakening transportation was the revealing agency. In the infinite bounty of the Creator the measureless riches of the West were bestowed, but they availed little until the whistle of the steam locomotive proclaimed its westward march with the Star of Empire.

It is a curious trait of human nature that we acclaimed railroads in the building and then turned to hamper them in the operation. Missouri and Kansas were doubtless like Ohio. We gave from our purses to contribute to needed building funds, we donated vast areas for right of way, we witnessed financial exploitation with little protest, because of our eagerness to acquire, and acclaimed the acquisition. Marvelous development attended, but we omitted the precautions which would have avoided many present-day difficulties.

Everybody knows how necessary transportation is in this modern world of specialized industries and extensive exchanges. Everybody knows that our very social scheme, as now organized, is dependent on the maintenance of adequate transportation media. A good many people, indeed, have latterly come to wonder if it might not be possible even that we have committed our welfare and prosperity too largely to the assumption that it would always be possible to provide all the transportation that the community might desire, at costs which would not be prohibitive. That we have even staked our very existence on the daily continuity of transportation. There is a new, and I think increasing, school of thought on this subject. Its adherents are beginning to ask whether, in the long run, it would not be better to attempt making local communities more nearly self-dependent, by diversifying their range of production, and thus reducing the amount of transportation and exchange of products over long distances. But such a course would be a reversion to the old order, which no modern community willingly would accept, back to the farm self-contained, back to the restricted community, with its candle burning beneath the half-bushel measure.

Of one thing we may be reasonably assured, and that is that since railroads first began to be built in the world there never was a time when so many people, in so many communities, were frankly and intelligently questioning the future as regards its instrumentalities of transport. They are asking very frankly and pointedly how they can attain railroads enough in the next few generations to supply them, along with other agencies, with the transportation they will require. I doubt if there is a country in the world in which railroads have come to be a considerable transportation factor which has not some sort of a railroad crisis on its hands right now. There are some countries which merely need more railroads, and are willing to pay almost any price to get them, just as we would have done a generation or two generations ago. There are others which have more railroads than current traffic and insistent demand for lower rates make profitable, so that they have been made in some fashion or other, a burden on either industry or the public treasury. There are still others which have excellent railroad systems but have found, in the increased cost of capital and operation which came with the World War upheaval, that the cost of transportation is threatening to become too heavy for the producing industries to bear it.

Our own country, although it possesses something like forty per cent of the world's railroad mileage, is confronted with all these difficulties. In much of our territory we need more railroad facilities, and somehow will have to supply them in the near future. It is stated on high authority that the indirect losses in industry and commerce due to insufficient transportation run into figures equal to the burdens of federal taxation. On the other hand there are some railroads in this country the building of which would better have been deferred, for they were born out of misguided enthusiasm, or unjustifiable speculation, or the mere purpose of levying a sort of transportation blackmail upon systems already in the field. Finally, we have many railroads which, though apparently well managed and absolutely necessary to the communities they serve, are finding it difficult to earn a living and quite impossible to provide the necessary maintenance and the means of expanded facilities.

Every passing year adds to the cost of producing new railroads. Most of our railroads were begun in a time when land was the most plentiful and least valuable thing we possessed, and their rights of way and terminals cost, as compared with the present expense that would be involved in reproducing them, very little indeed. Everybody is doubtless familiar with the story that a few years ago a great engineer was commissioned to make preliminary calculations of the cost of a complete new trunk line system between New York and Chicago. He is said to have reported that the purchase of real estate for terminals on Manhattan Island alone would require as much capital as would the physical construction of the entire line from New York to Chicago.

There could hardly be a better illustration of the increasing difficulties which the country must face in any considerable expansion of its railroad system. Of course, this hypothetical new trunk line from Lake Michigan to the Atlantic coast was not constructed. If it had been, it could not have earned returns on its enormous cost unless rates had been greatly increased for its benefit. But if rates had been increased for it, they would have had to be increased also for the lines competing with it. Otherwise, the new road would have no business at all. An increase of tariffs which would have permitted such an expensive new property to earn even a moderate return on its investment would have enabled the older and less expensive properties to earn absolutely preposterous returns.

It is worth while to bear in mind, in the face of current agitation, that we could not replace our railroads for a vastly larger sum than the valuation placed upon them by the Interstate Commerce Commission, and it is fortunate for our people that we do not have to contemplate a rate structure founded upon replacement cost.

I have referred to the previously recited instance because it so perfectly illustrates the whole situation which the country must meet in dealing with its railroad problem. Events of the last few years have made us all realize that the railroads must be administered under some policy that will make it possible to find the capital wherewith to expand the existing systems as business shall require, without imposing an impossible burden upon industry and consumption.

It is no theoretical problem. It is not an imaginary thing to be swept aside with the wave of the hand. When the Government undertook operation during the war, and standardized wages, and was caught in the sweeping current of mounting cost, it created a situation to ignore which would quickly develop a national menace. At an awful cost we learned the extravagance and mounting burden of Government operation. Yet there are to-day very insistent advocates of Government ownership. Frankly, I do not share their views. Our political system has not reached a state of development when we can insure proper administration.

I believe it would be a colossal blunder which would destroy initiative, infect us with political corruption, create regional jealousies, and impose incalculable cost on the public treasury. But we must find a solution of the rate problems and the necessary expansion of facilities and find that solution in spite of the prejudices of the present-day sponsors for operations and the present-day destroyers who would bankrupt or confiscate, else Government ownership and operation will become an accepted necessity. Nor do I share the views of those who would lower rates without regard to railroad good fortune. The prosperity of the railways is the prosperity of the American people, and the property rights in railway investment are entitled to every consideration under our Constitution which is due to property rights anywhere. Any tendency toward confiscation will lead to confusion and chaos, and destroy the very foundation on which the republic is builded.

It is easy to understand how many people contemplate the abolition of competitive carrying charges, and the elaborate machinery of Government regulation, and argue that the logical step is to put them all in one common pool under Government ownership. That would effect an adjustment between the fat and the lean, if it didn't make them all lean. It would equalize profits and losses between favored lines and the less fortunate ones, it would abolish profits and saddle all the losses on the public treasury. More, it would completely disarrange the economic relationship between our different communities, upon which our present-day commerce is builded. It is preferable to preserve initiative and enterprise, to maintain the inspiring competition of service, and it is vital that the cost of transportation be borne by the commerce which is served.

No, my countrymen, I am not proposing nationalization, nor a renewed experiment in Government operation, the cost of which we have not yet settled. The federal treasury can not well bear any added burdens until we have lifted many of those already imposed. I had rather solve a difficulty than embrace a danger.

I do believe there is a rational, justifiable step, full of promise toward solution. It will effect a diminution in rates without making a net return impossible. It will make sound finance possible for expansion. I refer to the program of consolidating all the railroads into a smaller number of systems, the whole to be under rigorous Government supervision, and the larger systems to be so constituted that the weaker and unprofitable lines would be able to lean upon the financial strength of the stronger and profitable ones until the growth of the country makes them all earn a just return upon capital invested. The transportation act of 1920, known as the Cummins-Esch law, contemplated this kind of a consolidation, but made it permissive rather than mandatory. In effect, it left to the railroad managements, subject to the master plan set up by the Interstate Commerce Commission, to arrange the system groupings of the roads.

That provision was adopted only after long and detailed consideration by men of wisdom and experience, and seemed to represent the best judgment of leaders in both political parties. Its weakness was that it was doubtful whether the railroads would be able, of their own volition, to reconcile all the conflicting interests involved in so enormous a reorganization. It was frankly recognized when the legislation passed that it was necessarily somewhat experimental. Likewise, it was extremely uncertain whether the wisdom of a dozen Solomons, sitting as railroad presidents and chairmen of boards, and as financial backers of these great properties, would be equal to the task of organizing a group of systems which would represent fair treatment of all the interests involved, including those of the public.

There now appears to be no difficulty about any constitutional inhibition to the voluntary consolidation as authorized by Congress. But the problem of reconciling the interests of the hundreds of different ownerships and managements of lines to be merged into systems has proven a task for which no solution has been found.

It is, therefore, being seriously proposed that the next step be to further amplify the provisions for consolidation so as to stimulate the consummation. It is my expectation that legislation to this end will be brought before Congress at the next session. Through its adoption we should take the longest step which is now feasible on the way to a solution of our difficult problems of railroad transportation.

There has been undue alarm in many communities, Kansas City included, concerning the effect of such consolidations upon commercial centers like yours. Let me allay the alarm by reminding you that the whole question is one of adjustment, and the whole program is to be constructive, looking to enhanced service, and destruction is as much to be avoided as failure is to be prevented.

Though no other nation in the world offers a parallel in railway development, those of us who believe that this program of regional consolidation would produce highly beneficial effects find our belief sustained by recent experience in Great Britain. The railroads of that country have in the last few years passed through an experience which, considering the vast differences between the two countries as to area, geographic configuration, industrial and social organization, has more or less paralleled that of American railroads. The United States and Great Britain were, when the World War flamed, the only two great countries which had clung unalterably to private ownership of railroads.

In every other important country a considerable portion or all of the railroad mileage was owned or operated by the government. In Britain, as here, the necessities of war persuaded the Government to take over the roads, place their operation under more rigorous control than before, and extend financial guaranties. In both countries, the results were expensive from the viewpoint of the treasury, and highly unsatisfactory from that of the public's convenience and the accommodation of business. In both countries, again, the experience went far to dispel whatever illusions had been entertained about the desirability of government railroad management.

The parallel does not end here. When the war ended opinion in both countries urged return of the railroads to corporate management as soon as possible. In both this was effected, and—here comes the most striking coincidence of all—in both the return was accompanied by a legislative provision looking to consolidation of the many systems into a small group of great ones. The difference was that in Great Britain the legislation was mandatory, requiring that by January 1, 1923, the roads should be consolidated into four great systems; here it was permissive, and, of course, a much larger number of systems is proposed. The British program has been carried into effect; there are now four systems in the country, all organized around the same general idea of increasing efficiency and providing their financial stability.

While this reorganization has been in effect only a few months, its early results are reported to justify fully the expectation of better conditions under it. It is regarded as a long step toward permanent settlement, on a basis fair to the owners of the properties, and to the public interest in good service at the lowest possible rates.

The necessity for early adoption of this or some other program to place the railroads on a sound basis is so pressing as to make it a matter of deep national concern. There is no other issue of greater importance, for herein lies in large part the solution of the agricultural problem, and with it the assurance of our industrial position. Nothing else can possibly prosper with agriculture depressed; and agriculture is calling loudly for relief from present transportation burdens.

Quite recently Senator Cummins, the veteran chairman of the Senate Interstate Commerce Committee, made the startling statement that probably 75,000 miles of our railroads are earning so little and costing so much to operate that with scant incomes they can not be adequately maintained and expanded in facility to meet traffic requirements. If we realize that this means near one-third of the country's railroad mileage, we will appreciate the gravity of the situation. Yet there it is, grimly staring us in the face, challenging our statesmanship and business capacity.

Not long ago the Interstate Commerce Commission actually granted the necessary authorization to tear up and abandon one piece of over two hundred and thirty miles of railroad. It was no frontier line, in an undeveloped, uninhabited section; it was in the rich and populous state of Illinois. If the spectacle of a railroad literally starved to death in such a community is alarming, it is yet less a calamity in some ways than it would be in a region possessing fewer lines capable of taking over the public service. A majority of the people tributary to it will, by going a few miles farther, get transportation from other roads. But there is no such solution of the problem for many extensive communities now served by roads in financial distress.

There are some roads—many of the smaller ones in fact—whose continued operation is absolutely vital to many thousands of people, to considerable towns, to large areas of country, whose revenues simply can not provide financial facilities through earning, pending a considerable growth in community population, say nothing of earning any return whatever on capital invested. No legerdemain of court processes, receivers' certificates, or financial juggling, can save them. They must get more revenue or stronger support or quit operating until the country is more largely developed. We shall contribute nothing to solving their problem by agreeing that they ought not to have been built so soon. Nor shall we help by talking about the wickedness of men who, years ago, exploited the public, watered stocks, and did other reprehensible things. No panacea will be found in statistics proving that some other roads are earning more than they need, unless we find an equitable way to coordinate the activities of the strong roads to develop the weak ones.

The railways have become publicly sponsored institutions, and government must find a way to avoid confiscation, avoid starvation, and maintain service and a proper return upon capital which will assure them a growth commensurate with the country's development.

We are all agreed that to abandon any important share of railroad mileage is inconceivable. We can not do it because people already dependent on the railroads would be ruined; and because, further, in a not very distant future we should be compelled by the country's development to put them back, or their equivalent in capacity for service. They must be saved. There are just three possible ways to do it:

1. For the Government to take and operate the weak roads, and thus bear all the loss without any of the profits of railroad management.

2. For the Government to take all the railroads, convert them into one gigantic pool, and plunge into the enormous responsibility thus incurred. In the present state of the public treasury and of tax burdens, and in the light of recent sad experience with Government management, this is not to be considered. I believe it would be politically, socially, and economically disastrous.

3. The plan of consolidations already outlined, bringing economies in operation, financial stability, ability to secure needed capital, adjusting rates and regulations to the necessities of the position, and preserving the real advantages of competition in service, while avoiding the evils of Government ownership.

As among these possibilities there can be little doubt of the public preference for the third program. It is not unjust to the strong roads, for the prosperity of these, like the prosperity of all industry, depends on keeping the country as a whole prosperous. Every mile of railroad trackage in the land helps to make business for every other mile. The transportation system must be considered as a unity, precisely as the nation itself must be considered. In this manner we will best help to insure the credit of the railroads, assist them to new capital for future expansion, and insure, for the future, against the sort of wildcat and competitive railroad construction which in the past has been responsible for giving us a great share of the trackage which now proves economically unjustified.

There is another particular reason which urges the early adoption of the larger-system plan. It would be a long step toward solving the problem of keeping the railroad equipment adequate. Many financially weak roads are unable to provide all the rolling stock they need. Inadequacy of car service hindered the relief of the coal situation last winter, it denied the farmer a market when prices were most advantageous, and has impeded manufacturing industry time and again. It is fair to say the railways were helpless because they were financially and otherwise unable to keep up with the demands for service. Prevailing practices further embarrassed the situation. Roads inadequately equipped make up their deficiency by borrowing the cars of other roads. When a foreign car comes to one of these parasite lines it is not returned promptly, but often is deliberately retained. The free movement of cars is prevented; no company can be certain of commanding even its own equipment when it is needed; seasonal congestions or shortages of cars follow; and an unfair burden is imposed on those roads which sincerely try to meet the demands of this demoralized situation.

To meet this condition, the proposal of a nation-wide car pool has lately attracted much attention. The Pullman Company fairly illustrates what is meant. This great corporation provides most of the railroads with certain kinds of cars, on a rental basis. Applying the same idea to the provisions of freight cars, you have a rough notion of the proposed car pool. It is urged by advocates that it would unify the rolling-stock organization; make possible the enlistment of adequate capital to provide for the weak and strong roads alike; place the entire organization under a single centralized control which would insure equity to all roads and sections. There are others who insist it would not correct the present evils, and would divide responsibility and make regulation and supervision more difficult. In any event the system of consolidation would in effect clear up many difficulties in car distribution.

We come now to an entirely different phase of this transportation question. Quite regardless of its cost, the continuity, the assurance of service at all times is absolutely necessary in transportation. Business that is done to-day depends on the certainty that the goods can be delivered to-morrow. If there is doubt about the trains running and the deliveries being made to-morrow, there will be unwillingness to buy and sell today. All of which brings us to consideration of the relations between the transportation organization and its employees.

There is no other business, so far as I know, in which suspension of operations can produce such disastrous results as in transportation. The vital importance of this service has brought many people to the conclusion that it ought to be possible absolutely to forbid and prevent railroad employees from striking. I do not believe it possible under our form of government to compel men to work against their will, and do not think it desirable under any form of government. I say this, fully recollecting my vote in the Senate in favor of the antistrike provision of the railroad act of 1920. That was not a provision denying men the right to strike. It was merely a requirement that before the men should strike or the employer should lock them out, both sides should submit their differences to a properly constituted and impartial tribunal, empowered to consider the facts, determine the merits, and make an award.

It was believed that in the vast majority of cases this procedure would prevent lockouts and strikes; and, in view of the enormous loss to the carriers, to their employees, and to the public resulting from strikes, I profoundly regret that it should not have been possible to give the plan a fair trial. When I say a fair trial, I mean a trial under conditions fully and frankly acceptable to all interests. I do not believe that in such a situation a fair trial is possible unless both sides have absolute confidence in the fairness of the tribunal and are sincerely willing to accept its verdict. If human wisdom shall ever be capable of setting up such a tribunal as that, and of inspiring both sides of the controversy with complete confidence in it, we will have traveled a long way toward industrial peace.

Personally, I have confidence that the thing is possible. I believe so firmly in the underlying common sense of both organized industry and organized labor, and in the fairness toward both on the part of the great public on which both of them are finally dependent, that I believe at last it will be possible to arrive at settlement of industrial disputes in public services by such a method. Let me say so plainly that there will be no misunderstanding, that in most disputes which end in strikes or lockouts I do not believe the difference which at last divides the two sides very often represents any underlying question of human rights and human justice.

There was an interesting illustration in the strike last year of the railway shopmen. The Government sought to effect a settlement that had for its firm foundation the pledged acceptance by both managers and employees of the decisions of the Railway Labor Board. To such a settlement the spokesmen of managers and employees gave their pledge, but the managers rejected the agreement on the ground that it did not do justice to the new employees who were taken on after the strike began. Much was made of the issue, but in the end all settlements were effected on precisely the terms the Government proposed. Yet the agreement to abide by the Labor Board decision was lost in the days of anxiety and the separate settlements which were effected.

It is inescapable that the Government feels the importance of public interest and right in connection with the settlement of such questions. The vital existence of the Nation now depends upon continuity of transportation. In recent years it has come to be accepted that there are three parties, rather than two, to every controversy between the employer and employee of a public-service corporation. The employer is one, the employee is another, and the great public, which must have the right to consume and to be served, is the third. If we are quite frank among ourselves we will have to admit that in dealing with such controversies the third party in interest has, down to this time, decidedly received the least consideration. Yet the public is the party on which finally must be placed the burden of whatever adjustment is effected.

As a means of making possible righteous adjustment between railroads and their employees, with due regard for the interest of the public which pays, the Government established a Railroad Labor Board. It was assumed that this organization, required to represent in equal numbers the employers, the employees, and the public, would command the confidence of all sides and that its determinations would be accepted. Unfortunately, for reasons which are the subject of no little controversy, the board has never had the cooperation of employer and employee for which its authors hoped. For myself, I am not convinced that the test has been a complete or entirely fair one, and I favor, not its abandonment, but its continuance under such modifications as seem most likely to make the plan successful. But there is little to hope for until all concerned are ready to comply promptly with the board's decisions. I am frank to say I do not hope for compliance on the part of employees so long as decisions are ignored by the managers.

There is another highly important phase of the transportation problem very much worth our attention. I believe the use of our inland waterways offers the one sure way to reduced carrying charges on basic materials, heavy cargoes, and farm products. Probably all of us acknowledge the urgent need of diminished cost on agricultural shipments and many bulk cargoes essential to manufacturing industry. While it is well established by the Boston Milk Case decision that public necessity justifies carrying a commodity at less than cost, the service at less than cost on the larger tonnage of the country does not offer the righteous solution. We ought to try the experiment of coordinating rail and water shipments, we ought to avail ourselves of the waterways developed through expenditures of enormous public funds, and we ought to give the waterway carriers a chance to prove their capacity for helpful service.

The Federal Government has expended approximately $1,130,610,000 on river and harbor improvement. Only last spring the Congress appropriated $56,589,910, in spite of a budget recommendation of less than half. For the sums spent on harbors we have most beneficial results. The millions expended on inland waterways, on rivers and canals, have brought small returns because we have put them to no practical use. Though we expended to cheapen carrying charges and to facilitate transportation, we have failed in coordinating service and have allowed the railroads to discourage every worth-while development. Where barge and packet service has been established there has been such an unfair division of the joint carrying charge that waterway development has been impeded, and where service lines by water have been established the hoped-for diminution of rates has been denied or avoided until the plea of cheapened transportation by water has seemed a mockery.

I believe we should encourage our water service, we should encourage and enforce coordinated service, we should see to an equitable division of rates, and exact rate reductions whenever practicable to operate successfully under rate reductions.

It is a very discouraging picture to contemplate the expenditure of $50,000,000 of public funds on an inland waterway when the tonnage on that waterway has diminished more than half, while the waterway itself is made better and better year by year. We have either wasted many hundred of millions in blind folly or have been inexcusably remiss in turning our expenditures to practical account.

I wish the railway leadership of the country could see the need of this employment of our water routes as an essential factor in perfected transportation, and join in aiding the feasible plan of coordinating service and cheapening charges, not alone as a means of popularized and efficient public service, but as a means of ending the peril of their own fortunes.

No thoughtful sentiment in America will tolerate the financial ruin of the railroads. But the people do wish, now that exploitation has been ended, to have their transportation adequate to the country's needs, and desire all our facilities brought into efficient service. They wish to make sure of the ample agencies, and they demand the least carrying charge which will make an adequate return to capital and at the same time permit extensions and additions and enhanced equipment essential to the best transportation in the world.

We have not fully appraised the evolution from the ox-cart to motor age. The automobile and motor-truck have made greater inroads on railway revenues than the electric lines with their intimate appeal to the local community. There will never be a backward step in motor transportation. But we shall do better if we find a plan to coordinate this service with the railways, rather than encourage destructive competition. Indeed, the motor transport already promises relief to our congested terminals through better coordination. We have come to the point where we need all the statecraft in business, to find the way of making transportation in its varied forms adequate to the requirements of American commerce, to afford that transportation its due reward for service, without taking from production and trade a hindering exaction.

I can not too greatly stress the importance of this great problem. It can not be solved by those who commend the policy of confiscation or destruction, nor can it be solved by those who make a prejudiced appeal for political favor. We must frankly recognize the exactions imposed upon the American farmer during the war expansion of rates, take note of the wage development which will yield no reduction in the principal item of operating cost, and seek conditions under which we may have the requisite reductions in fixed charges which will afford encouraging relief. If the system consolidations, with diminished overhead costs, with terminal advantages largely improved and terminal charges greatly reduced, will not afford the solution, then our failure will enforce a costlier experiment and the one great commitment which I hope the United States will forever escape.

We are dwelling now amid a gratifying return to prosperous conditions. I do not share the feeling that the recovery is a mere temporary one, with impending relapse. The guaranty of permanence lies in our doing the things essential to the equitable sharing of our good fortune. There can be no abiding prosperity in industrial centers, in transportation or elsewhere, unless it is properly shared by American agriculture. Government can make no direct bestowal of good fortune, but it is the duty of government to maintain conditions under which equal opportunity for good fortune is the heritage of every American everywhere.

Under our representative democracy we find ourselves absorbed in issues which more or less concern us in our individual affairs, but we lose the aspect of government as a whole and take it as a matter of course. It is our accepted practice rather than a deliberate intent.

Americans ought ever be asking themselves about their concept of the ideal republic. I take it to be one of universal good fortune, where freedom is as complete, under the law, as justice is unfailing within the law. A land where the equality of freedom's opportunity and the reward of merit are held as sacred inheritances and citizens are made fit to embrace beckoning opportunity.

Above all else, since we are the great exemplars of representative democracy, ours should be a land of unquestioned loyalty to the great fundamentals on which we are builded, to which Americans are committed by birth, or declare allegiance when they are adopted. We have achieved most notably in development; let us make sure of the preservation and hold ourselves equipped for the continued triumphs of progress at home and unafraid to play a great people's becoming part in the affairs of the world.

[Agricultural Conditions.]

HUTCHINSON, KANSAS, *June 23, 1923.*

Fellow Citizens of Kansas and Fellow Americans All:

A half score of years or more ago, I was making a number of addresses in your state, and had the good fortune to make a more or less intimate survey of several thriving Kansan communities. While driving in the outskirts of a county-seat town, not a hundred miles from here, we noted in the distance a structure rather more imposing than the average home, and I made inquiry as to its ownership. My host said: "Well, sir, I'll have to apologize. That's the county poorhouse, but it is out of commission. We discontinued its public operation for we had no inmates." "Omit the apology," I replied, "and make it a boast. I never saw an unoccupied almshouse before. If this is a reflect of the life of Kansas, it is a glorious chapter in human progress."

My host had spoken truly. More interesting still, before my speaking tour was finished, I saw two other county almshouses which had been abandoned as public institutions, and made into eloquent monuments to a community's good fortune. A civilization without a public charge is not the supreme attainment in human progress, but it is a lofty achievement, and I know there can not be very much wrong with the fundamentals of the Government under which it is recorded.

Probably the fortunes of agricultural Kansas are not to-day precisely what they were a dozen years ago, and agricultural fortunes are invariably reflected in the fortunes of all others, because they are so closely related and interdependent that there can be no good or ill fortune of one without influencing the other. The whole world has been in a social, industrial, financial, and political upheaval since then. The very fabric of civilization has been sorely tested, dynasties have fallen, monarchies have failed, revolution has reigned in various sections of the world, and disasters have exacted their toll nearly everywhere and in nearly every way.

The losses to American agriculture are universally admitted and deplored, but it is not an experience peculiar to American agriculture alone. Nor was the readjustment following war's inflations a burden to agriculture alone. It came to the railroads, to bankers, to manufacturers, and to the mercantile world. The miracle is that we all escaped with so relatively little of disaster. It is characteristic of human nature that we magnify our own ills and too little appraise the ills of others, but the eyes of the Government are attracted to them all. I hesitate to tell you how seriously vast interests, presumably unendangered by the changing tides of business, were affected, and at what sacrifices disasters were averted. Looking backward, I find my confidence in the social and industrial fabric of this Republic strengthened by our wonderful emergence from threatening disaster.

Ever since the earlier processes of deflation which began after the World War we have been studying and talking about the rehabilitation and the better organization of our agricultural industries.

I confess a very frank pride in the Government's part in bettering a situation against which you justly complained and which all the people of the nation deplored. The cooperation of all the governmental agencies, and with them the cooperation of the fine forces of leadership which the great national farm organizations have developed, made it possible to secure a measure of helpful results in this department of our endeavors, which has been especially gratifying. Moreover, it has found prompt reflection in the improved status of every agricultural concern. We have been officially informed that owing to improved conditions the farm products of the country for 1922 were worth $2,000,000,000 more than they were in 1921. Clearly, we are through the worst of the depression and can reasonably expect gradual improvement.

The balance within the industry, as between livestock and grain production, has been restored. The disturbance of that equilibrium, so highly important to a properly adjusted agriculture, had been one of the unfortunate and unavoidable results of the war-time necessities. Called to feed a world, American farmers had willingly responded to the demand for special efforts in certain lines of production. Relationships between supplies and demand for some staples were badly disrupted and could not be instantly restored when peace came. That was in considerable part responsible for the violent fluctuations which imposed so much hardship on the farmer. Along with this distortion of the production ratios went an even more acute and difficult disturbance of the factors which determine foreign demand.

While the war lasted there was no possibility of overproduction of such staples as wheat and cotton, for example; and when peace suddenly burst upon the world, the farmer had plans for a long future which he could not readjust instantly. No human wisdom could possibly have foretold the course that would be taken by supplies and demand; and it is as futile as it is obvious to us now to say that wisdom would have dictated at least a less precipitate policy in removing the war-time restrictions and guidance in dealing with some aspects of production and distribution.

When the present Administration came into responsibility, agriculture was in the lowest ebb of depression. The immediate need was for measures to meet an emergency. There was urgent call to keep open and so far as possible enlarge our foreign markets, and this was accomplished by a prompt policy of placing necessary credits at the disposal of those engaged in finding foreign markets for our foodstuffs; by arresting and reversing the drastic deflation which had the seeming, under the former administration, of being aimed especially at the destruction of agriculture's prosperity; by recalling the War Finance Corporation from its state of suspended animation, giving it a credit of $1,000,0000,000 in Government funds, and recommissioning it to afford relief to the American farmers. The wisdom of this action was demonstrated by results.

Four hundred million dollars have been loaned by this institution, three-fourths of it to the farming and live-stock interests. At the same time the emergency tariff measure was passed, by which to secure the farmer's home market against the flood of competing articles from distant corners of the earth. During the war vast quantities of farm products had been dammed up in countries so distant that shortage of shipping made transportation to Europe impossible. With the seas again free, these sought, at whatever price could be obtained, the one market where there was real buying capacity and cash to pay—the great market of the United States. We took prompt measures to stop this movement; and the combination of effective protection, easier credits, and the operations of the War Finance Corporation quickly arrested the downward trend and started agriculture upon the upgrade once more.

It is only fair to pause a moment and emphasize the value of these measures of agricultural relief so promptly put forward by the Congress. The new tariff schedules saved for the American farmer a vitally important and gravely menaced home market. The resumption of the War Finance operations, backed by the resources of the only Government on earth that was able to summon such a credit, enabled the American farmer to compete for sales abroad.

Along with these measures, prompt steps were taken to put the federal Farm Loan Board back into business. Like the War Finance Corporation, it had been in a state of suspended activity for want of money to loan. It was given a credit of $50,000,000 and resumed loaning on farm property.

A bill to facilitate cooperative marketing of farm products was passed. Legislation to prevent harmful gambling in agricultural futures was passed, held by the courts to be unconstitutional, and quickly repassed with the defects removed. The act for the control and regulation of the meat packers was enacted. Important reductions of freight rates on agricultural products were effected. Certain restrictions upon the operation of the joint-stock land banks, which had prevented them from doing their share in financing the farm, were removed. The loan limit of $10,000 which had formerly been imposed upon the federal Land Banks was increased to $25,000, a change which is certain greatly to increase the practicable usefulness and range of operations of this system.

A measure of the utmost importance to farmers in those parts of the country where irrigation is the very basis of agricultural life is the act authorizing formation of irrigation districts, whereby the water-using settlers are brought together in associations to conduct their relations with the federal Government. Formerly the settlers had to adjust all differences of this kind as individuals, at great expense and inconvenience to themselves. These water-users' organizations promise to become nuclei of highly useful cooperations in assembling, shipping, and selling the products of the irrigation districts. Further encouragement was extended to the irrigation farmers by amending the farm loan act to provide terms on which the land banks could make loans to farmers on the irrigation projects, whose conditions and necessities require special treatment.

Yet another provision in behalf of this same community is made by the new law which authorizes extending the time on payments due from irrigation farmers to the Government. This measure has given a new chance to thousands of farmers in the irrigation areas who have fallen under the same misfortunes that have afflicted other farmers, and who had been unable temporarily to meet their commitments to the Government.

If the recital of this long list of accomplishments in the farmer's behalf shall have seemed to suggest that Washington has been devoting itself with a special and perhaps a partial assiduity to the agricultural interests, I shall reply that the farmer has received nothing more than was coming to him; nothing more than he needed; nothing more than was good for him; and nothing that was not also good for all of our national interests, bound up as they are in the nation-reaching mutuality of dependence and interdependence. I tell you frankly that I am proud to be able to come to you to-day and tell you of what has been done, because in doing it we have served not only the farmer but everybody else in this land.

But that is not all. I have reserved till the last what we may well appraise the crowning achievement of the entire list. I refer to the code of agricultural credit legislation known as the Agricultural Credit Act of 1923, which became law in the closing days of the last Congress. It has not been possible yet to perfect machinery for administering this act, but I do not hesitate to express confidence that this scheme of agricultural credits, taken in connection with the other enactments I have described, furnishes the basis for the most enlightened, modern, sound, and efficient scheme of agricultural finance that has been set up in any country, and will enable the farmer in no distant future to free himself from obstacles which have made it difficult heretofore to conduct farm operations upon a sound, business-like basis.

Before describing this program of advancement in agricultural finance, permit me a word by way of bringing before our minds the backgrounds of the agricultural problem. Farming is the oldest of all industries. It has supported the community in peace, and has been the most essential line of industrial defense in war; commonly, too, the first victim of war. In olden times the conqueror distributed the subjugated lands to his favorites, and his prisoners as slaves to till it. Thus land ownership became the mark of favor and aristocracy. Later, the feudal régime substituted the somewhat less severe conditions of serfdom and villenage for those of slavery on the soil. Then came the modern institution of an agricultural peasantry, politically more free, but economically still held in fetters of old tradition.

Merchants and manufacturers, in the Middle Ages, devised banks to help them finance their ventures. Banking methods developed which served their purposes, but were not adapted to the farmer. The farmer's way of life made him an individualist. He could not organize the great cooperations which we call corporations. The banks did not furnish credit of the kind and on the terms he needed. The manufacturer and merchant, doing a large gross business in proportion to capital, having a short turnover period, wanted to borrow working capital for short periods. The farmer, with a long turnover period, wanted working capital on very different terms.

Now, the bank of deposit and discount is easily the most completely cooperative institution that human society has devised. But it got started dealing primarily with industry and commerce, and the farmer never quite caught up with it. The railroad or industrial corporation raises plant capital by selling bonds; the farmer, by the essentially similar operation of selling a mortgage on his land. Both still require at times to supplement this capital, by making less permanent loans to pay operating costs.

These loans the banks make out of the funds intrusted to them by great communities of depositors. In order to keep their resources as liquid as possible, against the possibility of heavy demands from depositors, banks have preferred to loan for short periods, commonly one, two or three months. This precisely suited the commercial or industrial borrower; it did not fit the farmer's case, because he requires a full year to produce most crops; two or three years, even, in case of livestock.

So, as the ordinary banking practice did not meet the farmer's needs, the idea arose of establishing intermediate credit institutions, which should advance money for longer periods than the merchant or manufacturer desired, but yet not on the long-time basis of the farmer's mortgage or the corporation's bond. Various forms have been taken by these institutions in different countries and under different conditions. But I doubt if there has ever before been set up a system of intermediate farm credit so well adapted to serve the needs of the farmers in America.

This legislation, designed to furnish necessary intermediate credit for production purposes, taken in connection with the federal Farm Loan system, which provides long time mortgage credit, and with the new law making easy the organization and conduct of cooperative associations, and with the amended federal Warehouse Act, provides what seems to be a complete, scientific and well-rounded, efficient and workable system of agricultural finance. Quite possibly experience may show the need of minor amendments here and there to the credit act, but the principle underlying it is sound and needed changes can readily be secured.

Under the Agricultural Credit Act, which became law last March, two classes of corporations are authorized. First come the federal Intermediate Credit Banks. They are twelve in number, just as there are twelve federal Reserve Banks and twelve federal Farm Loan Banks. Each Intermediate Credit Bank is to have $5,000,000 capital, subscribed by the Secretary of the Treasury in the name of the United States and paid for from the Treasury. There is to be one of these banks in connection with each federal Farm Loan Bank, and they may be under the same or separate managements.

The federal Intermediate Credit Banks are to make loans to banks, or to cooperative marketing associations of farmers, which associations are carefully provided for. The loans are to be made especially for agricultural purposes.

Whenever the loans made from the original capital reach an aggregate justifying it, the Farm Loan Board, which supervises the system, may issue debenture bonds against the securities which the Intermediate Credit Banks have taken. The sale of these debentures will put the banks in funds once more for a new loaning campaign; and so, in the revolving-fund fashion which has been made familiar through the operations of the Farm Loan Board in real estate mortgages, the

INTERIOR, LINCOLN MEMORIAL

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The imposing statue of Abraham Lincoln within the memorial erected to him at Washington is by Daniel Chester French. On the walls are graven notable passages from Lincoln's messages and papers. Other views of the Lincoln Memorial will be found opposite another page. President Harding's address at the dedication of the Memorial begins on page 9127 and President Wilson's analysis of Lincoln's character, on page 8160.

endless chain goes on and on, drawing in with each sale of debentures a new supply of capital for loaning to the farmers.

The Intermediate Credit Banks are fundamentally different from the Farm Loan Banks in this: that while the Farm Loan Banks advance money only on real estate mortgage security, the Intermediate Credit institutions are to discount farmers' notes taken by local banks and to loan on personal and chattel security—live stock, farm equipment, growing crops, and the like. The debentures sold by the Intermediate Credit Banks are tax-exempt precisely as are the debentures of the Farm Loan Banks.

The debentures will be sold to the public at a rate sufficiently below that charged the original borrower to insure that all expenses will be met by the margin of difference. These banks are authorized to make loans on these debentures to the amount of ten times their capital; that is, each bank may carry $50,000,000 of business, which places the total for the system of twelve banks at $600,000,000.

Under the same law, another and entirely distinct set of corporations is provided for, called National Agricultural Credit Corporations. These are to be set up, their capital furnished, and their management controlled by private capital and enterprise, under the general supervision of the Comptroller of the Currency. A National Agricultural Credit Corporation may be formed with capital not less than $250,000, and national banks are authorized on proper conditions to subscribe for stock in such corporations, in the aggregate not exceeding 10 per cent of their capital and surplus.

The National Agricultural Credit Corporation is authorized to make loans for agricultural purposes on chattels, livestock, growing crops, and personal credit up to a period of nine months; except that in the case of breeding stock and dairy herds the period may be extended to three years. They may issue debentures against the securities they have received, and these may be marketed up to whatever amount may be determined by the regulations prescribed by the comptroller.

To facilitate the marketing of the debentures issued by these corporations, a class of rediscount banks is provided. A credit corporation may subscribe up to 20 per cent of its stock to the capital of the rediscount bank. A minimum of $1,000,000 paid-up capital must be provided for a rediscount bank. The rediscount bank, on the responsibility of its own capitalization, will enter the general money market, float the debentures that have been turned over to it by the credit corporations, and thus provide them with new funds for further investments. It is simply another application of the revolving fund or endless credit chain idea which we found illustrated in the case of the Intermediate Credit Banks.

The utmost care has been taken to surround these various institutions with every possible safeguard that can be afforded through skilled supervision, ample responsibility, and sound methods. It is the judgment of financial experts that their debentures will find just as ready an acceptance among investors as have those of the federal Farm Loan Board.

There is thus created at last a complete farm credit system which, drawing together the aggregate responsibilty of the greatest single industry in the land, backed by the security of the land, and of live stock, warehoused and growing crops, all kinds of agricultural equipment, and, finally, by the character and high responsibility of the men and women who constitute the great agricultural community, will be capable of furnishing the American farmers, for the first time in the history of agriculture in any country, adequate investment and working capital on terms as favorable as those accorded to commerce and industry.

Many people have been inclined to be skeptical of benefits which might follow the enactment of legislation to give the farmer a better system of credit. They have said that the farmer needs better prices for his crops and livestock, rather than easier ways to borrow money. That is true, but these friends do not seem to understand that prices of crops and livestock are directly influenced by credit facilities.

In the past, farmers have been obliged to finance their productive enterprises by borrowing money for short terms. When times are good they have no difficulty in renewing these loans, but in periods of financial stress too many farmers have found themselves under the necessity of pushing their crops or their livestock on the market, not infrequently before the latter is fully fitted for market, in order to pay notes which they had expected to be able to renew, thus at times flooding the market and seriously depressing prices. Under a system of intermediate credit, administered with reference to the farmers' seasonal requirements, they should be able to market both their crops and livestock in a more orderly fashion, and this in itself will be a potent influence in keeping prices more stable and reasonable.

I thoroughly agree that what is needed is fair prices; and I very well know that the farmer wants to get out of debt rather than to get further into debt. But it is my opinion that both these ends will be much more quickly accomplished through this new system of agricultural credits.

The legislation enacted by Congress does not by any means measure the attention Congress has given during the past two years to the needs of agriculture. People who have not been familiar with what has been going on in Congress can little appreciate the exhaustive study which the appropriate committees of Congress have given to our agricultural problems.

Day after day, and week after week, and month after month these committees have held hearings. They have considered every conceivable measure suggested for relief. They have listened patiently to all who came to them. They enacted legislation which seemed to promise real help. They did not enact nearly all the measures which were suggested, because after the most exhaustive study they became convinced that such measures would not only be of no help but might aggravate an already bad situation.

Go back with me for just one glance, in conclusion, at the steps which have marked the rise of agriculture to this, its new estate. We need to go back but a very few generations to the time when the title to land represented no more than the whim of a despot or the shifting and uncertain fortunes of a military adventurer. The agricultural worker was a serf, a mere human chattel, bound to the soil on which he lived and to the service of the particular adventurer who at the moment, in the permutations of fortunes and of favor, chanced to hold the land.

In the view of his master, he had no rights which could command respect, his political status was nil, and he was permitted the least possible share in the fruits of his toil on which he could keep together his soul—if indeed it were conceded that he had a soul—and his body, so as to perform the grueling toil of tasks that were regarded as utterly menial. All agricultural operations were crude, inefficient, barbaric. The great light with which science and organization and efficient methods have illumined the art of agriculture had not yet cast its first feeble rays over the desolate and dehumanized landscape of the rural countryside. The old-time picture is one to make women weep and men despair of their kind.

But somehow the life of the open places, under a sky which inspired always the longing for a fair chance; somehow the daily touch with the mighty forces of mother nature in all her wondrous moods; somehow the dim realization that there was yet something beyond and above the squalor and misery of his immediate surroundings—somehow, through the centuries of his serfdom, these things kept the farmer mindful of possibilities for better times and friendlier fates; kept him longing for liberty; inspired him in the age-long struggle to lift himself up to a wider vision of life; moved him to eternal revolt against the fetters which bound; gave him courage for the seemingly hopeless conflict with destiny.

The centuries passed, and untold millions went to their graves despairing. But other millions followed, to seize the torch and bear it a little farther on the road. The slave became a villein, the villein a peasant; and yet the grim struggle went on, with political rights and economic emancipation as its twin goals. Painfully, doggedly, the men of the soil toiled under their dual burden of furnishing sustenance for humanity and keeping alight the flame of that consuming purpose to achieve freedom and human equality.

Down to times so near our own that they are but the yesterdays of history, the outcome of the struggle seemed in doubt. But mankind's darkest hour was followed by the dawn. The vast structure of artifice and selfishness which had been built and supported by the soil at length crumbled under its own weight of futility and corruption. The revolutionary movements of the eighteenth century, the reformations of the early nineteenth, the spread of knowledge, the rise of invention and growth of industrialism—all these combined to extort from tyranny the recognition of human rights. The man of the land had won his first battle: the battle for a place in the political system.

The economic struggle was longer and harder, because it had to be waged against preconceptions and prejudices which through the ages had driven their roots deep into the very fundamentals of human nature itself. It was not possible, all at once, to establish the conception that the tiller of the soil, ignored through centuries, must now be taken into full fellowship with the favored of the earth.

Sometimes I think it more interesting to recall the more modern processes of emancipation, because it will bring reminders to quell needless insurgency and suggest at least that moderate contentment which will tend to bless.

I can well recall the making of Kansas, and the near-by states of the Mississippi and Missouri Valleys. That was when farming was more a struggle for subsistence than a contest in industry. That was back in covered-wagon days, when the men of Ohio, and bordering states, migrated westward, too poor to come with family and possessions by rail, where rail travel was possible, so they builded their wagons, loaded all their material possessions which the wagon would carry, crowned the cargo with the family, and drove westward under the glow of the Star of Empire. A few returned, but the great majority dug in, battled with nature and her elements, and conquered.

In those grim days there were no motor cars, no electric lights. The cracky wagon, now forgotten in our lexicons, or the spring wagon, double seated, was the luxury of travel, and the kerosene lamp had recently put the tallow dip to shame. Ten dollars in cash in the family purse was an inordinate excess, and a hundred dollars cash balance for the year's trade was success extraordinary. Nowadays we expend more money for gasoline going to and from town in one week than was spent for kerosene to illumine the home for a whole year a generation or two ago. The farm emancipation in this country has been apace with other advancements, though there are inevitably periods of unbalanced price relationships, the reflexes of supply and demand, which have vexed and discouraged.

There is no escaping the relativity of outlay to income. The sane practice is to make sure that the outlay is less than income, but it is somehow inherent in our lives that we pay more or less as we receive. I can recall when my annual offering to the church was one dollar, and it was considered ample. But it cost me more, and I gladly paid, when my annual earnings expanded. We live very much according to our income. It is proper that we should. The citizen who skimps and denies while the tide of good fortune is flooding is often acclaimed a miser and an undesirable citizen.

My point is that agricultural emancipation has brought its problems as well as liberation. The blue-sky stock salesman can dissipate a farm surplus with ready facility, and extravagance on the farm is no less costly than in palatial city homes. I am sorry that simple rural life is too often giving away to modern extravagances. In the rise and fall of nations, in the peaceful conquest for human advancement, the simple-living peoples will make the long survival and record the notable triumphs.

It is good to contemplate the political, social, economic, and financial equality of the American farmer, good to confirm his title to all the instrumentalities and facilities which make for success in other activities, because he is the supreme contributor to human welfare. And he brings another invaluable asset to our republic. He has been and must continue to be the anchorage of dependable public opinion when ephemeral whims are appealing and storms of passion play. The farmer, better than all other toilers in our community life, has learned that only the rewards of endeavor spur humanity on to large achievement. He fully appraises property rights and the necessity of their preservation. In spite of his adversities, the farmer has never failed as the stalwart defender of the American heritage. In his fuller participation, the American farmer must continue to be the stabilizer of sentiment and the defender of our fundamentals upon which is builded the republic which wrought his emancipation.

[Law Enforcement.]

DENVER, COLORADO, *June 25, 1923.*

MY COUNTRYMEN: It has been said that "Of the making of books there is no end." Quite as truthfully it might be paraphrased, "Of the making of laws there is no end." We Americans undoubtedly hold all records for the making of a multiplicity of laws, state and national. If we were as assiduous about obeying and enforcing obedience to them as we are in demanding and enacting them, there would be no particular occasion for me to address you to-day on the general subject of law enforcement. We all recognize that to secure effective administration of the laws, to establish in the public mind an attitude of willing acceptance and obedience to law, is the most impressive mark of a civilized community.

Laws, of course, represent restrictions upon individual liberty, and in these very restrictions make liberty more secure. The individual surrenders something of his privilege to do as he pleases for the common good, and so organized society is possible. It is successful just about in proportion as laws are wise, as they represent deliberate and intelligent public opinion, and as they are obeyed. Civilization had to travel a long way before it came to be commonly accepted that even an unwise law ought to be enforced in orderly fashion, because such enforcement would insure its repeal or modification, also in orderly fashion, if that were found desirable.

At this point it is worth while to raise a voice in protest against the vast volume of half-baked criticism that is constantly aimed against Americans, on the ground that they are alleged to be an undisciplined and rather lawless community. The criticism, of course, arises out of the fact that during the period of a very short national life, during which the currents of human affairs and interests have moved more rapidly than in any other period of history, we have been under the necessity to establish institutions, laws, modes of administration, which would meet not only the requirements of a new community established in a new world, but would permit adaptation to rapidly changing conditions. It comes also of the very erroneous impression of many nationals that our liberty is a license, instead of guaranteed freedom under the law.

Older countries have had the privilege of developing laws and institutions slowly, gradually, painstakingly, through multiplied centuries in which change was commonly extremely slow. America had to build on the foundation of long-established European models not always adaptable to our requirements, and therefore necessitating many experiments in modification and readaptation. Moreover, we started our experiment just at the time when the old medieval order was being changed at high speed by the processes of the industrial and social revolution which marked emergence from the later middle ages into the onrushing era of modern industrialism, modern science, and modern democratic procedures in government.

The founders of our country were compelled to establish institutions here in a time when their whole inheritance of intellectual, moral, political, and industrial traditions was being wrenched by the most amazing revolution that human society has known. In the circumstances, their achievement in laying the foundation, and our later one in building our present superstructure upon it, represents an accomplishment I believe without parallel. Thus viewed, I think we will find all justification for satisfaction in our progress thus far, and confidence in an assured future.

Our problems are the problems of a relatively new country, and of a new form of political organization, in a time of social flux. We shall not succeed if we attempt to solve them all at once; but no more shall we succeed if we assume to ignore their existence, to shut our eyes to the fact that they are before us. The very basis of our political establishment is the idea of a dual sovereignty of the states and the nation; the idea of concurrent authority and concurrent responsibility. That is so elemental in our system that to do away with it would amount to demolishing our whole scheme of government.

Certain functions and responsibilities have been imposed upon the national Government, while others have been reserved to the states. Between these two authorities there will always be unavoidably something like a twilight zone. Personally, I have never liked that phrase. I have regarded it as a peculiarly unfortunate and misleading description. The intermediate zone which receives light from two sovereign luminaries ought to be the best, not the worst, illumined region. I believe it can be made exactly that if we will but realize the necessity for real cooperation between national and state authority, if we will only develop effective means for the exercise therein of concurrent jurisdiction.

The problem of concurrent jurisdiction is not a new one brought to us with the eighteenth amendment. It is as old as the federal Government. It has required to be dealt with by Congress and legislatures, by executives and by courts, in a multitude of relations to commerce, finance, transportation, and indeed the whole realm of concerns in our complex society. It has demanded our attention in all the multitude of issues ranging from the regulation of trusts and transportation, and even of certain relations with foreign governments, to the proposal for a uniform statute of marriage and divorce.

There have always been those who insisted that particular policies could not be carried out because of the conflict of jurisdictions; but experience has proved that whenever a given issue became so acute that evasion was impossible, procedures have been devised for dealing with it. Whoever will go back to the debates over the enactment of the antitrust law, or the discussions of the interstate commerce measures, must recognize that these were but varying phases of the same general question that comes before us in connection with the enforcement of the prohibition law.

A good deal of useful accomplishment toward uniformity and clarification of state and national laws has been effected through the efforts of the American Bar Association. This, of course, has been an unofficial effort—a labor of love and patriotism, conducted by men especially qualified for its direction. It has seemed possible that something rather more formal and official might be evolved from these beginnings, which should help in perfecting the coordination. President Roosevelt recognized this possibility when he called a council of governors to consider problems then demanding harmonious and uniform treatment. Under the present administration a similar course has been adopted in bringing together the state executives for consideration of methods to give full force and effect to the concurrent authority of states and nation under the eighteenth amendment.

We have dealt upon the same general principle in fixing a program for the utilization of the waters of the Colorado River. Indeed, I have thought these conferences contained the germ of an idea which may some day grow into a useful auxiliary to our constitutional system: a formal council of coordination, representing state and national Governments; authorized to examine into particular needs in this area, to devise projects in coordinated action, and to propose them formally to the Congress and the legislatures. Without possessing any powers of legislation or of mandatory initiation, such a body might render an advisory service which, if made permanent and continuing, would conceivably be of great advantage.

But for the present there are immediate problems before us which can not await the possible creation of any such slow moving mechanism of philosophic consideration. The prohibition amendment to the Constitution is the basic law of the land. The Volstead Act has been passed, providing a code of enforcement. I am convinced that they are a small, and a greatly mistaken, minority who believe the eighteenth amendment will ever be repealed. Details of enforcement policy doubtless will be changed as experience dictates. Further, I am convinced that whatever changes may be made will represent the sincere purpose of effective enforcement, rather than moderation of the general policy. It will be the part of wisdom to recognize the facts as they stand.

The general policy of the states to support the prohibition program, and to cooperate with the federal Government regarding it, is attested by the fact that almost unanimously the states have passed enforcement laws of their own. A difficulty, however, arises at this point. A good deal of testimony comes to Washington that some states are disposed to abdicate their own police authority in this matter, and to turn over the burden of prohibition enforcement to the federal authorities. It is a singular fact that some states which successfully enforced their own prohibition statutes before the eighteenth amendment was adopted have latterly gone backwards in this regard.

Communities in which the policy was frankly accepted as productive of highly beneficial results, and in which there was no widespread protest so long as it was merely a state concern, report that since the federal Government became in part responsible there has been a growing laxity on the part of state authorities about enforcing the law. Doubtless this is largely due to a misconceived notion, too widely entertained, that the federal Government has actually taken over the real responsibility. The fact is quite the contrary. The federal Government is not equipped with the instrumentalities to make enforcement locally effective. It does not maintain either a police or a judicial establishment adequate to or designed for such a task. If the burden of enforcement shall continue to be increasingly thrown upon the federal Government, it will be necessary, at large expense, to create a federal police authority which in time will inevitably come to be regarded as an intrusion upon and interference with the right of local authority to manage local concerns. The possibilities of disaster in such a situation hardly need to be suggested. Yet it is something that we must recognize as among the menaces in this situation.

The federal Government ought to perform, in connection with the enforcement of this policy, those functions which are obviously within its proper province. These are compliance in all its aspects as it relates to international commerce, the importation and exportation of liquors, the collection of federal revenue, the prevention of smuggling, and in general the enforcement of the law within the proper realm of federal authority. But the business of local enforcement, by states and cities, ought to be in the hands of the state and local authorities, and it should be executed in all sincerity and good faith, as other laws are presumed to be executed.

What I am saying must not be construed as indicating any relaxation of the national Government's purpose to do its full duty in this matter. I have no doubt that if the burden is cast, in undue proportion, upon the national authority the federal Government will, not only under this administration but under whatever others may come in the future, assume and discharge the full obligation. But I am pointing out that this ought not to be made necessary. The national policy ought to be supported by the public opinion and the administrative machinery of the whole country. For myself, I am confident that we are passing now through the most difficult stage of this matter, and that as time passes there will be a more and more willing acceptance by authorities everywhere of the unalterable obligation of law enforcement. The country and the nation will not permit the law of the land to be made a byword.

The issue is fast coming to be recognized, not as an issue between wets and drys, not a question between those who believe in prohibition and those who do not, not a contention between those who want to drink and those who do not; it is fast being raised above all that, to recognition as an issue of whether the laws of this country can be and will be enforced. So far as the federal Government is concerned, and I am very sure also, so far as concerns the very great majority of the state governments and the local governments, it will be enforced. A gratifying, indeed, it may fairly be said an amazing, progress has been made in the last few years toward better enforcement.

It is a curious illustration of loose thinking that some people have proposed, as a means to protecting the fullest rights of the states, that the states should abandon their part in enforcing the prohibitory policy. That means simply an invitation to the federal Government to exercise powers which should be exercised by the states. Instead of being an assertion of state rights, it is an abandonment of them; it is an abdication; it amounts to a confession by the state that it doesn't choose to govern itself but prefers to turn the task, or a considerable part of it, over to the federal authority. There could be no more complete negation of state rights.

The national Government has been uniformly considerate of the sensibilities of the states about their rights and authorities. But when a state deliberately refuses to exercise the powers which the Constitution expressly confers on it, it obviously commits itself to a policy of nullifying state authority, the end of which we are reluctant to conjecture.

The policy of nullification has never appealed strongly to the American people. There are some historical records regarding efforts of states to nullify national policies; but the spectacle of a state nullifying its own authority, and asking the national sovereignty to take over an important part of its powers, is new. When the implications of this strange proposal are fully understood by people and parties devoted to preserving the rights of the states, the new nullificationists, I venture to say, will discover that they have perpetrated what is likely to prove one of the historic blunders in political management.

I am making my appeal in this matter to the broadest and best sentiments of law-abiding Americans everywhere. We must recognize that there are some people on both sides of this question in whose minds it is absolutely paramount. Some would be willing to sacrifice every other consideration of policy in order to have their own way as to this one. This constitutes one of the most demoralizing factors in the situation.

It was very generally believed that the adoption of the Constitutional amendment would take the question out of our politics. Thus far it has not done so, though I venture to predict that neither of the great parties will see the time, within the lives of any who are now voting citizens, when it will declare openly for the repeal of the eighteenth amendment. But despite all that, the question is kept in politics because of the almost fanatical urgency of the minority of extremists on both sides. Unless, through the recognition and acceptance of the situation in its true light, through the effective enforcement of the law by all the constituted authorities, and with the acquiescence of the clearly dominant public opinion of the country, the question is definitely removed from the domain of political action, it will continue a demoralizing element in our whole public life. It will be a permanent bar to the wise determination of many issues utterly unrelated to the liquor question. It will be the means of encouraging disrespect for many laws. It will bring disrepute upon our community, and be pointed to as justifying the charge that we are a nation of hypocrites. There can be no issue in this land paramount to that of enforcement of the law.

It is easy to understand the conditions out of which much unrest has developed, but it is not easy to comprehend so much of complacency amid a developing peril. I want to give warning against that peril.

Many citizens, not teetotalers in their habits, lawfully acquired stores of private stocks in anticipation of Prohibition, pending the ratification of the amendment and the enactment of the regulatory law. Many others have had no scruple in seeking supplies from those who vend in defiance of the law. The latter practice is rather too costly to be indulged by the masses, so there are literally American millions who resent the lawful possessions of the few, the lawless practices of a few more, and rebel against the denial to the vast majority. Universal Prohibition in the United States would occasion far less discontent than partial Prohibition and partial indulgence.

It is the partial indulgence which challenges the majesty of law, but the greater crime is the impairment of the moral fiber of the republic. The resentful millions have the example of law defiance by those who can afford to buy, and are reckless enough to take the risk, and there is inculcated a contempt for law which may some day find expression in far more serious form.

I do not see how any citizen who cherishes the protection of law in organized society may feel himself secure when he himself is the example of contempt for law. Clearly there is call for awakened conscience and awakened realization of true self-interest on the part of the few who will themselves suffer most when reverence for law is forgotten and passion is expressed in destructive lawlessness. Ours must be a law-abiding republic, and reverence and obedience must spring from the influential and the leaders among men, as well as obedience from the humbler citizen, else the temple will collapse.

Whatever satisfaction there may be in indulgence, whatever objection there is to the so-called invasion of personal liberty, neither counts when the supremacy of law and the stability of our institutions are menaced. With all good intention the majority sentiment of the United States has sought by law to remove strong drink as a curse upon the American citizen, but ours is a larger problem now to remove lawless drinking as a menace to the Republic itself.

There is another phase of law-observance to which reference is impelling. I am thinking of the law of the golden rule, a statute from the Man of Nazareth, who brought new peace and new hope to mankind, and proclaimed service to men the highest tribute to God.

Service is both the inspiration and the accomplishment of quite everything worth while which impels us onward and upward. With service which the Nazarene would approve are associated all our ideals and our finer aspirations. We accept the doctrine for ourselves, as we ought, because we must be firmly established and healthfully and hopefully strong ourselves before we can be effectively helpful to others.

But I believe the law of service demands our larger helpfulness to the world. No, I do not mean entanglement in Old World politics or sponsorship for the adjustment of Old World controversies. I do mean the commitment of this nation to the promotion and preservation of international peace, to the judicial settlement of disputes which, unless settled, lead to added irritation, strained relations, and ultimately to war.

I would like the United States to give of our prestige, our influence, and our power to make the International Court of Justice an outstanding and universally accepted agency of judicial determination of justiciable questions and the peaceful way to international settlements. It is too much to say that such a court will give a guaranty against war, but it will prove the longest step toward war prevention and maintained peace since the world began.

In such a thought is concern for our own country no less than anxiety for a world which is finding readjustment difficult. I am thinking of more than our own freedom from conflict, with all its attending burdens and sorrows. I am thinking of our America having a commitment to an exalting enterprise to save us from the reaction to mere sordid existence, and to keep our hearts aglow while we serve as a vanguard in the march of civilization.

The World War was a frightful calamity, from which the earth will not have fully recovered in a century to come. Nearly five years have passed and peace is not yet secure. Our own cost was beyond an understandable appraisal, but I sometimes feel it was worth much of its cost, because it brought an American awakening and revealed the soul of the republic. We experienced the supreme commitment. We saw our America ready to do or die for our concept of civilization and its guaranties. It exalted us and made us a better, a more patriotically devoted people. I would like to go on, with soul aflame in eagerness to aid humankind, while promoting security for ourselves.

This is no under-appraisal of the essentials of material existence. We may rejoice in the flood tides of material good fortune, we may becomingly boast the measureless resources of the republic through God's bounty in creation and man's genius in development, but we aren't living the becoming life unless we are seeking to advance humankind as we achieve for ourselves. I would like the ages of envy and hate, and conquest and pillage, and armed greed and mad ambitions to be followed by understanding and peace, by the rule of law where force had reigned, the decisions of a world court rather than the decrees of national armies, the observance of the golden rule as the law of human righteousness, and the wail of human suffering and sorrow lost in the glad rejoicings of the onward procession of mankind. If we observe the law of service, if we heed our finer impulses, if we keep alive the soul which we revealed in our national defense, we will add to security for ourselves, and give of our strength to this ideal world advancement.

[Taxation and Expenditure.]

SALT LAKE CITY, UTAH, *June 26, 1923.*

MY FELLOW COUNTRYMEN: There is a suggestion of personal tribute in choosing my topic for an address in Salt Lake City. I have so long associated Senator Smoot with great problems of taxation, and have witnessed so much of his able and faithful endeavor to enforce economy and thereby lift the burdens of taxation, that I find myself involuntarily thinking, when I come to your state, of the menace of mounting taxes and growing public indebtedness. The removal of this menace is not alone a federal problem, for we are recording gratifying progress so far as the nation is concerned, but the larger menace to-day is to be faced by municipality, county, and state. The federal Government is diligently seeking to prove itself a helpful example, but the improved order must come in the units of government into which federal Government never intrudes. There is no particular reason why I should speak of it, except that we are all concerned about general public welfare, and I have thought that possibly a recital of federal accomplishment would serve to encourage in a state and local work which must be done.

A short time before I became President, a trusted but cynical old friend said to me one day that he understood I intended to make a specialty of economy in administration. I admitted my aspirations in that direction, and he replied:

"Well, that's the right idea, but don't tell anybody about it. You may think it will be appreciated, but it will not. Every time you lop somebody off the government pay roll or keep him out of a profitable piece of government business, you make him and all his friends and associates your enemies; and, on the other side, not a soul in the country will ever thank you for it. Everybody grumbles about taxes, and nobody ever demonstrates any appreciation of the man that tries to save them from taxes."

A short time before we left Washington on the present trip another friend said to me: "The Administration has saved the country a good deal by reducing its expenses and cutting down the tax burden. But take my advice, and don't talk to any of your audiences about it. People always grumble about taxes, but they don't want to hear anybody talk to them on that subject."

To which I replied that I believed, in the present state of affairs, all such rules were suspended, and any public man who had anything cheerful to say on the subject of taxes and Government expenses, would find plenty of audiences altogether willing to listen to him. I believe the American people are so profoundly interested in the subject of taxation and Government costs nowadays that an audience like this will even be willing to let me talk to them a few minutes on the subject.

One of the financial incidents to our participation in the war was to loan a vast sum of money to our allies. I wonder how many of you ever stop to think that the $10,000,000,000 which we advanced to our allies, after our entrance into the war, was just about the same as the total cost of the Civil War to North and South together. The Civil War lasted four years and strained every nerve and resource of the nation. Yet its actual cost to the Governments of both sides was considerably less than the amount we advanced to the Allied Governments during the World War.

And that was only a mild beginning of our financial transactions in war. For every dollar we loaned to our allies, we spent about three more on our own account. In a little more than three years, between the day war was declared and peace was signed, we spent twice as much money out of the public treasury as had been spent by the national Government in all of its previous history. I am not going to talk to you to-day about whether the money was all wisely spent. Whether it was or not, the results were worth all they cost, and a good deal more. What I propose to present to you now is some consideration of the fact that no matter how willing we were to make the sacrifice, no matter how cheerfully we incurred the obligations, we had to face at the end the big and very practical reality that these obligations must be paid.

You have inferred from what I said a moment ago that we spent roundly $40,000,000,000 on the World War. How many of us ever stopped to think that that was rather more than the total wealth of the nation at the time of the Civil War? We paid out of our current taxes, while the war was going on, more than 25 per cent of its cost; that is, as much as the entire national wealth so late as the year 1820. At the beginning of August, 1919, the public debt reached the highest point in its history, $27,500,000,000. That was just about ten times the amount of the national debt at the close of the Civil War.

We are still too close to the events of the Great War to be able to realize the enormous burdens placed on our country. Quite aside from the large operations of public finance which it necessitated, private finance has been called upon from the very beginning in 1914 to make special arrangements for financing the huge foreign trade that resulted from Europe's extraordinary demands. Long before we were in the war our financial machinery had been compelled to shoulder the financing of an enormously exaggerated export trade to the warring Powers. For a time Europe withdrew gold from us in great quantities, but presently it returned in yet greater, bringing to us and to the European countries the difficult problem of maintaining the exchanges and supporting the gold standard. Costs of everything rose to an artificially high basis, and in every direction expenditure was stimulated.

Altogether, the war was not only the greatest horror the world has ever known, but the greatest orgy of spending. This was inevitable, but that fact does not make the results any easier to deal with. The cost of government, of business, of every domestic establishment went up enormously. Every business man, and every householder, knows how it affected his personal concern. I want to suggest some of the ways in which it affected the whole business of government; government of the states, the cities, the nation, the expenses of every revenue-raising and spending division throughout the nation.

Recently I have been furnished with some specific figures on this subject of the cost of government by the Bureau of the Census. I am not proposing to impose upon your patience with an elaborate presentation of figures, but I want to suggest a few that will point my observations about the enormously increased cost of government everywhere. Take the cost of state governments. I am informed that the revenues of the states in 1913 aggregated $368,000,000, and that in 1921 they had increased to $959,000,000; that is, they had increased 161 per cent, and every dollar of that increase had to come in some way or other from the public. The expenditures of the states in 1913 aggregated $383,000,000, and in 1921 they were $1,005,000,000; an increase of 163 per cent. The indebtedness of the states in 1913 amounted to $423,000,000, and in 1921 to $1,012,000,000; an increase of 139 per cent.

Turn now to the cost of city government. The Census Bureau has compiled data on the governments of 227 of the large cities. It is shown that these cities in 1913 collected $890,000,000 in all revenues, and in 1921 they collected $1,567,000,000; that is, they were compelled to take 76 per cent more in taxes in 1921 than they had taken in 1913. The same group of cities expended in 1913, $1,010,000,000, and in 1921, $1,726,000,000—an increase of 71 per cent. The total debt of this group of cities in 1913 was $2,901,000,000, which by 1921 had risen to $4,334,000,000—an increase of 49 per cent.

County administration appears, from the rather limited information which at this time the census authorities have been able to produce, to have shown a much larger proportionate increase in cost and tax collections than did the government of cities. It is stated that for 381 counties, distributed among 38 states, and regarded as fairly typical, the increase in receipts from principal sources of revenue increased 127 per cent from 1913 to 1922; that is, for every hundred dollars of revenue collected in

1913, $227 was collected in 1922. And that is not all of it. The total indebtedness of these same 381 counties increased 195 per cent in the same period; that is, for every hundred dollars of debt in 1913 they had $295 of indebtedness in 1922. Statistics were not available dealing with cities and towns of less than 30,000 population; nor with townships, school districts, drainage districts, irrigation districts, road districts, and other subdivisions which exercised the power to raise revenues and incur debts. It is well known, however, that substantially similar increases have affected all these taxing subdivisions.

The figures of both the Treasury and the Census Bureau, in short, make it perfectly plain that whereas the cost of the federal Government is being steadily reduced, the cost of state and local governments is being just as steadily increased year by year. In nearly all of the states the cost of state and local governments increased from 1919 to 1922. The Treasury made up statistics on this point for one group of 10 states—Arizona, Connecticut, Michigan, Minnesota, New Hampshire, Ohio, Oregon, South Dakota, Washington, and Wisconsin. For this representative group it is shown that while federal taxes paid by these 10 states declined from over a billion dollars in 1920 to $650,000,000 in 1922, their state and local taxes rose from $728,000,000 to $965,000,000 in the same period. In another tabulation, covering 28 states, which was the entire number for which the statistics were available, it was shown that from 1919 to 1921 there were increases in local taxes in 23 states and reductions in only 5. In spite of the enormous burden of paying for the war and paying interest on the war debt, state and local taxes in 1922 represented 60 per cent of all taxes paid.

Let me present another aspect of the same matter. We hear much about the grievous burden of the income tax, and everyone of us who pays it is able fully to sympathize with everyone else who pays it. But it is fair to consider what our income taxes would be if we lived in some of the other debt-burdened countries of the world. A married citizen of the United States, with two children and an income of $5,000, paid $68 tax on that income in 1922. If he had been a citizen of Canada he would have paid $156. If the German tax rate had been applied to his income, it would have cost him $292. If he had been a Frenchman the French rate would have required him to pay $96, and if he had been a British citizen, instead of giving up the $68 which he paid to Uncle Sam, he would have drawn his check for $320.76. The same man, with an income of $10,000, would have paid $456 income tax in the United States and $1,128.32 in England.

The great burden of the war was, of course, imposed on the national Government. The Department of the Treasury states that in 1917 the federal Government's revenues were $1,044,000,000; in 1918 they were $3,925,000,000; in 1919 they were $4,103,000,000; in 1920 they were

$5,737,000,000; and in 1921 they were $4,902,000,000. For 1922 the total dropped to $3,565,000,000, and for 1923 it is estimated at $3,753,000,000. Assuming continuation of the present basis of federal taxation, the receipts for 1924 are calculated at $3,638,000,000, and for 1925 at $3,486,000,000.

Not all of this revenue is raised by direct taxation. The Treasury estimates indicate that in 1923 only $2,925,000,000 and in 1924 $2,850,000,000 will be produced by direct taxation; the remainder will come from various miscellaneous receipts of the Government. You will, I am sure, be interested in the Treasury's statement that whereas in 1914 the per capita cost to all the people of the federal Government was $6.97, in 1918 it reached $36.64 and in 1919, $37.91. It might reasonably have been presumed that with the war now long past taxes would have begun to fall off, but the statistics show the contrary. Instead of a reduction, taxes for the fiscal year 1920 rose to $53.78 per capita, which was the peak of the war burden. Even for 1921 they only fell to $45.22. But in 1923 they will be $26.29, or considerably less than half as much as in 1920. Figures, especially the figures which represent such an authority as the Treasury Department, are conclusive arguments. These figures show that for two years after the war ended federal taxes continued much higher than at the height of the struggle. They show that in the first two years of peace the cost of Government was still continuing above the 1918 level, but that since the high point of 1920 they have been reduced more than one-half. It is a record of business administration to which the party now in control of the administration feels justified in referring with no small measure of satisfaction.

I have observed that the cost of the war to our Government was around $40,000,000,000. After paying a generous share, about 25 per cent, from current revenues collected while the war was in progress, we still had to borrow enormously. At its highest point, on August 31, 1919, the national debt was $26,596,000,000. I know you will be interested to be told that from that day, August 31, 1919, to June 30, 1923, we have reduced it to $22,400,000,000—a reduction of considerably more than a billion dollars a year. Moreover, we are now working under a program which involves extinguishing a half billion of the debt each year. No other country in the world has been able to make such a record.

In addition to all this, we have within the past year settled the British war debt to our Government, arranged for its funding and its gradual extinction over a long period of years. In recognition of the notable service of Secretary Mellon, his associates at the Treasury, and the members of the Debt Funding Commission and the American ambassador to Great Britain, I wish to say that this settlement of the British debt has been acclaimed all over the world as one of the most notable and successful fiscal accomplishments ever recorded. Not only does it insure that the regular quarterly payments which the British Government will make to our Treasury will correspondingly relieve the burden upon American taxpayers, but the more important fact, in a time of widespread uncertainty and misgiving throughout the world of business everywhere, that these two great Governments could get together and arrange such a settlement has been one of the most reassuring events since the armistice.

There had been too much talk of possible cancellations or repudiations of the war debt. Such a program would have wrecked the entire structure of business faith and of confidence in the obligations of Governments throughout the world. There was need, pressing and urgent need, for such a sign of confidence, assurance, and faith in the future as this settlement furnished. When the British and American Governments united in this pledge that their obligations would be met to the last shilling and the last dollar, there was renewed financial confidence in the world. I undertake to say that no event since the conclusion of hostilities has contributed so much to putting the world back on its way to stabilization, to confidence in its Governments, and to the established conviction that our social institutions are yet secure.

No consideration of public finances can omit the fact that the single item of interest on the public debt exceeds $1,000,000,000 annually. For the fiscal year 1923, this item will be $1,100,000,000. Beyond this, we will reduce the public debt this year by $330,000,000, and next year by approximately $500,000,000. That is, over 35 per cent of the national revenue will this year go to paying interest or extinguishing the principal of the public debt.

I have not been able to gather conclusive statistics as to the accomplishments of states, cities, and counties, to compare with this showing of the federal Government. But with some general knowledge of the fiscal positions of states and cities in general, I feel quite safe in proffering my congratulations to any state, any city, any foreign country, which has made a better showing in the matter of reducing its public debt within the period since the war. I most earnestly regret that all have not been able to make a similar showing.

On this latter point I wish to say a word further. Taxation decidedly is a local as well as a national question. Prior to the war, federal taxation was an unimportant item; so small that in 1917 state and local taxes, in a group of 10 representative states, in all parts of the country, constituted 73 per cent of the entire tax burden.

The federal tax was indirect and unfelt. Then came the enormous cost of the war, which the federal Government had to bear, and in 1918 state and local taxes constituted only 42 per cent of the entire tax burden. In 1919 they represented 44 per cent of the whole; in 1920, 41 per cent. But in 1922, the last year for which figures are available, state and local taxes were again in excess and represented 60 per cent of the entire tax burden. The states represented in this calculation are Arizona, Connecticut, Michigan, Minnesota, New Hampshire, Ohio, Oregon, South Dakota, Washington, and Wisconsin.

The world, its Governments, its quasi-public corporations, its people, acquired the spending habit during the war to an extent not merely unprecedented, but absolutely alarming. There is but one way for the community finally to get back on its feet, and that is to go seriously about paying its debts and reducing its expenses. That is what the world must face. The greatest and richest Government must face it, and so must the humblest citizen. No habit is so easy to form, none so hard to break, as that of reckless spending. And on the other side, none is more certain to contribute to security and happiness, than the habit of thrift, of savings, of careful management in all business concerns, of balanced budgets and living within incomes. If I could urge upon the American people a single rule applicable to every one of them as individuals, and to every political or corporate unit among them, it would be to learn to spend somewhat less than your income all the time. If you have debts, reduce them as rapidly as you can; if you are one of the fortunate few who have no debts, make it a rule to save something every year. Keep your eye everlastingly on those who administer your governmental units for you: your town, your county, your state, your national Government. Make them understand that you are applying the rule of thrift and savings in your personal affairs, and require them to apply it in their management of your public affairs. If they fail, find other public servants who will succeed. If they succeed, give them such encouragement and inspiration as will be represented by a full measure of hearty appreciation for their efforts.

This brings me to a brief reference to what has proven so helpful to the federal Government in effecting the approach to the expenditures of normal times. For the first time in our history we have the national budget, under which there is an effective scrutiny of estimates for public expenditure. More, we have coordinated Government activities in making the expenditures which Congress authorizes.

It seems now unbelievable that we should have been willing to go for a century and a third without this helpful agency of business administration. But we did, and only now have we come to an appraisal of the cost of this great neglect.

It has been no easy task to establish the budget and make sure of its acceptance. Out of long time practices the varied and many Government departments felt themselves independent institutions, instead of factors in the great machinery of Government administration. They often got all they could from Congress, and made it a point to expend all they got.

Under the budget plan we were able to reverse the policy and awaken a spirit of economy and efficiency in the public service. We not only insisted that requests for appropriations should stand the minutest inquiry, but after reduced appropriations were granted, we insisted on expending less than the appropriations. There was no proposal to diminish Government activities required by law or demanded by public need, but there was first the commitment to efficiency and then commendable strife for economy.

We effaced the inexcusable and very costly impression that Government departments must expend all their appropriations, that no available cash should return to the Treasury. And we sought to inspire as well as exact in the practices of economy.

One illustration will not be amiss. On June 8, 1921, before the budget was in operation, word came to me that the business head of one of our institutions, far from Washington, was puzzling how to expend $42,000 which he had in excess of actual needs. Ordinarily such a matter would never reach the chief executive. But this one did, and I wired a warning, and followed it with a letter reciting the need of retrenchment everywhere, and expressed the hope that every Government official with spending authority would aid in reducing the Government outlay. The appeal was effective, and this one Government agent not only saved most of his available $42,000 for that fiscal year, but in 1922 he saved $81,000 more. He proved what could be done, and we are seeking to do it everywhere.

Do not imagine it has all been easy. It is very popular to expend, and there are ruffled feelings in every case of denial. But there are gratifying results in firm resolution and the insistent application of business methods.

The Budget Director is the agent of the President, and he speaks on the authority of the Government's chief executive. One day last winter the director came to me in great anxiety, telling me that a department chief would not sanction an $8,000,000 cut in his estimates. At that time we were seeking to prevent a threatened excess of expenditures over receipts amounting to $800,000,000 for the next fiscal year.

I sent for the department head, and he was still insistent in his opposition to the reduced estimate. I called for a conference of the department experts and the budget experts, and told them that if they could not agree, I would decide. They conferred, and instead of returning to me for decision, the estimate was cut more than $12,000,000. The point is that we have introduced business methods in government, and instead of operating blindly and to suit individual departments which had never visualized the Government as a whole, and felt no concern about the raising of funds, we are scrutinizing, justifying, coordinating, and not only halting mounting cost, but making long strides in reducing the cost of Government activities.

Perhaps the budget system would not accomplish so much for taxing and spending divisions smaller than the state, but a resolute commitment to strike at all extravagance and expend public funds as one would for himself in his personal and business affairs will accomplish wonders.

It is largely unmindfulness that piles up the burden. Able and honorable men often press for a federal expenditure to be made in their own community or in other ways helpful to their own interests which they would strongly oppose if they were not directly concerned. This is true of federal appropriation as well as municipal, county, and state expenditure, and I know of no remedy unless public officials are brought to understand the menace in excessive tax burdens and indebtedness, beyond extinguishment except in drastic action, and resolve to employ practicable business methods in government everywhere, and resist the assault of the spenders.

It is too early to know whether there is a republic of ancient times with which appropriately to parallel our own. We know of their rise and fall, and we may learn the lessons in their failures. A simple-living, thrifty people, with simple, honest, and just government never failed to grow in influence and power. The coming of extravagance and profligacy in private life, and wastefulness and excesses in public life ever proclaimed the failures which history has recorded.

I would not urge the stingy, skimpy, hoarding life of individuals, or an inadequate program of government. The latter must always rise to deliberate public demand. But private life and public practices are inseparably associated.

I would have our Government adequate in every locality and in every activity, and public sentiment will demand it and secure it, and require no more, if we have the simple and thrifty life which make the healthful nation.

These reflections, my countrymen, are not conceived in doubt or pessimism. We have so nobly begun, we are so boundless in resources, we have wrought so notably in our short national existence, that I wish these United States to go on securely. I would like developing dangers noted and appraised and intelligently and patriotically guarded against. A nation of inconsiderate spenders is never secure. We wish our United States everlastingly secure.

War brought us the lesson that we had not been so American in spirit as we had honestly pretended. Some of our adopted citizenship wore the habiliments of America, but were not consecrated in soul. Some to whom we have given all the advantages of American citizenship would destroy the very institutions under which they have accepted our hospitality. Hence our commitment to the necessary Americanization which we too long neglected. The American Legion, baptized anew in the supreme test on foreign battlefields, is playing its splendid part.

Those who bore war's burdens at home have joined, and all America must fully participate. It is not enough to enlist the sincere allegiance of those who come to accept our citizenship; we must make sure for ourselves, for all of us, that we cling to the fundamentals, to the practices which enabled us to build so successfully, and avoid the errors which tend to impair our vigor and becloud our future.

[Consumers' Cooperation.]

IDAHO FALLS, IDAHO, *June 28, 1923.*

One of the most engrossing problems of our time, confronting all countries and all societies, is the exorbitant cost of living. We realize that the real producer, under our elaborate and costly system of distribution, is not permitted a fair share of his product for his own use and enjoyment. We have become convinced that somehow our system of distribution has grown too cumbersome, too costly, too complex, too indirect, too unrelated to the interests of real producers and legitimate consumers. We must find methods to take up as much as possible of the slack in the long line between producer and consumer; to give the producer a better share in that which he furnishes to the community, and to enable the consumer to meet his requirements at a reasonable cost.

To this end many experiments have been made in cooperative production, transportation, distribution and purchasing. To a great extent, these experiments have proceeded from the enterprise and initiative of the Western people, to whom these problems have presented themselves with especial insistence. But for the spirit of cooperation, the willingness to be mutually helpful, the determination to give first place to the interests of the community, you could not have made your West what it is. Working cooperations on a great scale, practical in operation and adequate to cope with our problems, can never be possible except where there is this spirit, determination and purpose. It is because the West has led so far in devising such workable programs that I have thought to say a few words along this line today.

Developments of the last generation have brought the instrumentalities of transportation, of finance, of corporate organization and operation into a closer harmony with the true public interest than ever before. The Government has sought to make itself helpful, to point the way, to remove ancient barriers of custom or tradition, and to curb the excessive demands of privilege, in order to cheapen for the great public many of the services which formerly were dominated by the private interests and operated with too exclusive a consideration for private profit.

Anything tending to break down personal initiative, to destroy enterprise and ambition, must not enter into any program which can hope for the approval of the American people. Ours is an individualistic society and we want it to remain so. We want this republic to remain always the land of opportunity wherein every man's abilities and usefulness shall measure his personal advancement and prosperity. The kind of a program to encourage cooperation and coordination which I have in mind would not interfere with the freedom of proper opportunity, rather it would enhance the individual's chance to better his individual fortune.

The need of this time is to shorten the bridge between producer and consumer, and to reduce the toll that must be paid for passing over it. We all know a good deal about the various cooperative societies, associations and corporations which have undertaken, in many cases with notable success, to improve the position of the agricultural producers. Such organizations have been successful in all parts of this country and in many parts of the Old World. They have already done a great work and taught us many valuable lessons. Where there are obstacles imposed by unfortunate statutes or public policies, or in the way of expanding such activities as these, they might well be gradually removed through measures of helpfulness and encouragement.

On the whole, I think the agricultural community has been more alive to the promotion of its interests along these lines than has the urban community. The farmers have seen where their interest lay, and have been more prompt and energetic in adopting effective measures to promote them than the people of the city and town have been. There is need to have working and practical cooperative associations of producers in the country, and at the same time to have equally effective cooperations among the consuming communities of the cities and towns; and, finally, to link these two sets of cooperators together in a coordination for mutual advantage to both.

I believe it is possible, and altogether desirable, that systems of credit and finance should be developed, under public auspices, to encourage both these kinds of cooperation; and to draw them together into a harmonious working scheme of widespread distribution at the lowest possible expense.

We have in recent years given much attention to developing a system of agricultural finance, particularly adapted to the needs of American farm producers. Some critics have indeed protested that it was class legislation. Perhaps it was, but as I suggested in discussing the problems of agriculture in Kansas the other day, it was in the interest of a vitally important section of the community which has heretofore had altogether too little consideration.

Not only have I no apology for what has been done in the interest of the agricultural community; not only do I regard it as one of the monumental achievements of the last generation in developing our country's institutions, but I venture that we might with profit to the whole people consider the possibility of effecting an analogous organization to promote and encourage, through measures of credit and finance, a proper organization of the consuming community in both cities and country.

I have not attempted to work out even an outline, much less the details, of such a system; but I believe it is possible, feasible and certain to command the sympathy of men and women who have the true interest of the country at heart. I hope to be able, as the result of studies and investigations, to recommend for the consideration of the Congress measures which shall represent a beginning along this line. It is a big and pregnant subject to which no man or woman can deny the fullest and most careful consideration.

My thought is that the Government should give the largest encouragement, consistent with sound economics and proper Government functions, to every effort of the people to help themselves in dealing with the high cost of living and the relationship of incomes to our household budgets.

I have wondered if it were not possible, for example, that a scheme of cooperation among consumers, financed, in part at least, through a carefully organized and supervised adaptation of the principles of the savings bank or the building and loan society, might be made to serve a splendidly useful purpose in this department of our economic life. I think this would be preferable to having limited sections of the community undertake to establish financial independence and economic solidarity, as some of them have lately been doing.

The development of such a general program into a sound working business scheme would doubtless be found chiefly an affair of the state governments, but one in which the jointure of state and national authorities might prove practicable and even necessary.

I bring this suggestion of a direction which might be given to activities of the kind. I believe the suggestion is worthy of careful examination and consideration. I am convinced that its discussion would be fruitful of good results, and a reminder to some who are disposed to take tolls from both the consuming and the producing public that this public has the right, the power and the ability to devise means to protect itself.

The aim and object of our every policy must be the establishment and maintenance of an independent and self-respecting, reliant and industrious, intelligent and self-helpful American citizenship. We seek to encourage thrift, to promote saving to make the American home the headquarters of an everbroadening culture, a larger understanding of the complex problems of our times and a determined inspiration for the fullest measure of economic and social justice.

[Social Justice, Women and Labor.]

HELENA, MONTANA, *June 29, 1923.*

MY COUNTRYMEN: One of the greatest lessons which the World War taught to society was a realization of its stupendous producing capacity under modern organization. When the war started many of us, probably most of us, believed it could not last very long because we could not conceive that it could be economically and industrially supported for a long time. We had been taught to believe that as a whole the community annually consumed pretty nearly all that it produced, and that in order to maintain this ratio it was necessary to keep all the producers steadily at work. We were convinced that when the most efficient producers were taken by millions away from the fields, the shops, the mines, and the offices, and set at the business of armed destruction, they would very presently pull down upon themselves the whole fabric of our complex industrial system, and that the war would be smothered in the ruins. This view was the basis of what became almost an obsession with many people, indeed with most of the best informed people, during the early stages of the war. It was commonly and freely said that economic exhaustion would compel an end to the struggle before a year, and a much more popular limitation was six months.

The event showed how very little we understood either the tremendous producing capacity of the community as a whole or the strength and solidity of our industrial structure. When the first year of the war had passed, the world was just beginning to realize that in all probability the struggle was only in its larger beginning. Millions of men had been called from the fields, and yet still other men were being trained for it. At the end of two years the war was greater than ever, and after three years it had still further expanded until it actually involved, whether as combatants or as the sources of supply for the combatants, the whole world. The industrial, the agricultural, the financial, the social, and spiritual forces of the world were mobilized at last for the great final test of strength. In the end that test was both military and economic. Victory rested upon the banners which were borne by the side that represented the greatest number of soldiers, of ships, of guns; which represented the greatest capacity to bring together, control, and fabricate the necessaries of war and to maintain great civil populations behind the lines.

It became very early a war of conscription. Governments conscripted their men for service in the field; patriotism and public opinion conscripted everybody else for work at home. A new system of division and dilution of labor was introduced through which men and women, boys and girls, old men and old women—millions of people who under the old order of peace days had been rejected from the realm of skilled production—were quickly trained to the most intricate and technical tasks. So, in the midst of the most destructive storm that mankind had ever invoked upon itself, there was presented the marvelous phenomenon of a world producing at a greater rate than it had ever done before.

How was this gigantic industrial phenomenon wrought? By putting everybody at work. By inducing everybody to work to the limit of strength and capacity. By paying the workers at rates which enlisted their utmost eagerness to produce to the limit. Yes, if you please, by letting labor and capital and management all engage more or less in profiteering at the expense of society as a whole. Unheard-of wages were paid to people who in other times would have been considered quite incapable of earning them, but who, under the stimulus of the emergency, became effective and absolutely necessary factors in the industrial organization. Particularly was this true of the women, young and old, who took up tasks in the shop, the field, the transportation systems, and behind the lines of combatants, such as had never before been assigned to them. And the women made good so emphatically, so impressively, that as to-day we look over the whole field of the world mobilization and the world conflict we realize that something very much like a revolution was effected in the varied relationships of the industrial community.

Viewed in the retrospect we see more clearly than ever the sordid side of war. I have said before, and I choose to repeat it very deliberately now, that if war must come again—God grant that it shall not!—then we must draft all of the nation in carrying on. It is not enough to draft the young manhood. It is not enough to accept the voluntary service of both women and men whose patriotic devotion impels their enlistment. It will be righteous and just, it will be more effective in war and marked by less regret in the aftermath, if we draft all of capital, all of industry, all of agriculture, all of commerce, all of talent and capacity and energy of every description to make the supreme and united and unselfish fight for the national triumph. When we do that there will be less of war. When we do that the contest will be aglow with unsullied patriotism, untouched by profiteering in any service.

Of course, we are striving to make conditions of foreign relations and so fashion our policies that we may never be involved in war again. If we are committed to universal service—that is, the universal commitment of every American resource and activity—without compensation except the consciousness of service and the exaltations in victory, we will be slower to make war and more swift in bringing it to a triumphant close. Let us never again make draft on our manhood without as exacting a draft on all we possess in the making of the industrial, financial, commercial, and spiritual life of the republic.

If we had been in a state of mind to philosophize about it all, I think we might have recognized that women have been for a long time preparing themselves for this tremendous incursion into the field of industrial production. For a long time before the war began there had been evidence of a reaction among the women against the old ideals of the

Victorian period. For three or four decades, the more venturesome women had been timidly breaking away from the old-fashioned home and its old-fashioned ideals. Even those who viewed the new-woman movement with greatest misgiving and least approval had already been compelled to recognize that a new and revolutionary idea was taking possession of them. We might iterate and reiterate, and theorize and dogmatize, upon the old thesis that the place for woman was in the home; but we will have to admit that despite all our preachments, all our urgings, all our misgivings, woman wasn't staying there. She was teaching in the schools, she was accounting for perhaps a majority of the graduates from the high schools, and a big and increasing minority of the student community in the colleges and universities. She was practicing law and medicine, preaching sermons, working in the shops, the offices, the factories; she was, in short, becoming a competitor with her brother in almost all the departments of productive effort and activity.

Then came the war, and all at once even the most dubious among us realized that the women, everywhere, constituted the first line of industrial reserves upon which society must fall back in its great crisis. They volunteered for every service in which they could be useful, and at once established their right to a new and more important industrial status. They built ships, they operated munition factories, they learned to perform the heaviest and most difficult tasks; they tilled the fields, filled the offices, largely conducted the hospitals, and even served as most useful auxiliaries to forces on the battlefield. Not as a boon, but as a duty, full partnership in the conduct of political affairs was conferred upon them.

All this has inevitably worked a profound change in the relation of woman to the social and political organization. We may approve it or disapprove it, we may view it with satisfaction or with misgiving, but the fact is before us that woman has taken a new place in the community. And just as her participation in the industrial sphere expands, so her relations to the home and its interest is necessarily contracted. Whether we account it wise or otherwise, we must recognize that the tendency is to take the modern mother more and more away from the control, the training, the intellectual guidance and spiritual direction of her children. The day nursery, and after that the kindergarten begins to care for her children in the earliest years; after that come the public school, the high school, the college and the university, taking over from her more and more of the responsibility and influence over the children. We may entertain the old-fashioned prejudices against this development; but we are compelled to recognize that under modern conditions a large and increasing proportion of women are bound to be at the same time mothers in the home and industrial producers or professional workers outside the home, or else they must be denied the service and responsibility of motherhood.

Frankly, I am one of those old-fashioned people who would be glad if the way could be found to maintain the traditional relations of father, mother, children, and home. But very plainly these relations are in process of a great modification. The most we can do, to the utmost possible extent, is to readapt our conditions of industry and of living so as to enable the mothers to make the utmost of their lessened opportunity for shaping the lives and minds of their children. We must hope, and we must make it possible, that mothers will not assume, when their babes of yesterday become the schoolboys and schoolgirls of to-day, that the responsibility of the mother is ended, and that the teacher, the school authorities, the college, the state, will henceforth assume it. Rather, we must recognize that no other influence can possibly be substituted for that of motherhood; and we must make it possible for the mothers to cooperate with these social institutions of the new order, to give the children so far as possible the privileges of a home atmosphere which will supplement the advantages of mere education and training. It must be made possible for the mothers to familiarize themselves with the problems of the people, the school superintendents, the college authorities, the health and sanitation officials. In short, the mothers must be placed in such position that despite their obligations outside the home they shall not have to surrender their domestic responsibility. Rather, means must be found to enable them, through the varied instrumentalities which society affords, to equip themselves for the better discharge of their responsibility toward the children of the land.

Through such effort as this there will be opportunity for a great service. Those mothers who have the advantage of the best material and intellectual opportunities will, if they make the most of these advantages, help greatly to improve the conditions of children that come from families and homes less fortunately situated. They will be able to help in lifting up the poorer, the less fortunate children, to a higher level. The mother who tirelessly seeks rightly to train her own children, to instill into them that indefinable essence which we know as good breeding, will be performing this service not alone for her own children, but in only less measure for the children who come from homes less blessed with the finer things of life. Herein is the supreme advantage of the public-school system. I have never been able to find much satisfaction in the good fortune of families who, when they are able to do it, prefer to take their children out of the public schools and give them the doubtful advantage of more exclusive educational methods. I think we should cling to the democracy of the public schools.

The teacher, and the authorities back of her, must be equally ready to cooperate with the home and the mother. In the home must still be performed the duty of instilling into the child those fundamental concepts of religion and of faith which are essential to rightly shaping the character of citizens, and therefore of the nation. It would be an irreparable mistake if in surrendering to society a larger responsibility for the child's intellectual and physical well being, we should forget the necessity for proper religious training. That duty must be performed in the home; it will always be peculiarly the duty of a mother.

Mankind never has stood more in need than it does now of the consolations and reassurances which derive from a firm religious faith. We are living in a time of many uncertainties, of weakened faith in the efficiency of institutions, of industrial systems, of economic hypotheses, of dictum and dogma in whatever sphere. Yet we all know that there are certain fundamental truths of life and duty and destiny which will stand eternal, through the evolution and the revolution of systems and societies founded by mankind. There must be no mistake whereby we shall confuse the things which are of eternity with those which are of time. We must not let our engrossment with the things of matter and of mind distract us from a proper concern for those which are of the spirit and the soul.

It must be kept ever in mind that the higher and finer attributes of humanity will rarely be developed from a human seedling planted in a soil adapted chiefly to the production of that which is selfish and sordid, in which it will be forced by special circumstances to struggle unduly for the bare continuance of existence. We will not grow strong minds in unsound bodies, nor may we hope that illuminated souls will often seek habitation in human frames weakened and tortured by disease and malnutrition. To an astounding and alarming certainty it has been demonstrated that a large proportion of school children, and even of adults, suffer from undernourishment. I may congratulate you that there is little of it in the West. Perhaps it is true that as to most of the adults the fault is of the individual rather than society. Whether that be true or not we can at least agree that the children are not to be blamed for their share in such misfortunes. If society has permitted the development of a system under which the citizens of to-morrow suffer these deprivations to-day, then the obligation is surely upon society to right the wrong and to insure justice to the children who are not responsible for being here.

But we can not expect to bring full justice, full equality of circumstances and opportunity to the children, unless we shall make it possible for the parents. We are all too much given, I suspect, to a rather unthinking admiration for our highly mechanized social system under which we have so abundantly produced wealth and the possibilities of comfort and culture. We have not thought enough about the evils attendant upon the great inequities which mark the distribution of our stupendous product. But we are coming into a time when more and more we are giving thought to these things. Our satisfaction in the material achievements of our industrial age is being qualified as it never was before by our questionings along these lines. We are thinking of the weaker links in the social chain. We believe the equality of opportunity must be attended by a fitness to embrace it.

Here, again, the war was responsible for a great broadening of our social vision. It made its demand upon the highest and the lowest, the proudest and the humblest. It demanded a sacrifice that was just as great in the case of the poor man as the rich man. What was more, it brought a realization of the fact that men and women were of real service to the community just in proportion as they were capable of producing the things that were needed. So the workers, the builders, the producers attained a new sense of their dignity and importance. Contemplating its supreme crisis, the community was willing to render to those who were capable of serving it effectively in this juncture a greater share of their product than they had formerly been accustomed to receive. Wages, the world over, went to new high levels, salaries and fixed incomes shrank to lower levels of actual exchange value. There was a leveling up from the lower strata and downward from the higher. On the whole, despite many instances of injustice and of maladjustment in this process, its results marked a long advance on the road to equity and justice as among all elements of the community. A few years of civilization's desperate grapple with destiny brought to the working masses of the world an aggregate betterment of conditions, a general improvement of circumstances and opportunity, which otherwise would have been possible only through the slow processes of generations.

We know now that the advances which were thus effected in the direction of social justice and economic equality will not be relinquished without determined opposition. There were those who, regarding the injustices of the old order as inevitable, mistakenly assumed that by a simple process which they called the "deflation of labor" the old relationships would presently be restored. They insisted that "wages must come down"; some of them went so far as to sound the slogan that "organized labor must be crushed." These have forgotten the lesson in organization, in cooperation, in community of sacrifice, by which civilization had been able to rescue itself. They had forgotten that the right of organization, and of cooperative dealings, is not any longer the special prerogative of management and of capital. The right of men, and brains, and skill, and brawn, to organize, to bargain through organizations, to select their own leaders and spokesmen, is no wit less absolute than is the right of management and of capital to form and work through those great concentrations of interests which we call corporations.

Labor, indeed, is fast becoming one of the great builders of capital. Whether it concentrates its savings by depositing them in its own banks, of which the number is rapidly increasing, or pools them with the general savings of society by making its deposits in other banks, the result is the same. Labor is more and more coming to be the financier and backer of its own employment. We shall not go back to the time when considerable elements in the community were wont to assume that a sharp line of demarcation should be drawn between labor and capital. Labor is becoming more and more a capitalist on its own account, and capital is more and more discovering that it must work, must contribute, must give us, through some superiority of method and management, a justification for its existence as a sort of separate estate. Those to whom the management and investment of capital is intrusted must recognize, as I know most of them already do, that the right of organization, and the title to those special efficiencies which come to organization, is not the exclusive prerogative of capital. It is equally the prerogative of labor.

I am quite aware that there were some who imagined, before the present administration was voted into responsibility, that it was going at least to acquiesce if not definitely sympathize with projects for the deflation of labor and the overthrow of labor organizations. Before this time these have come to realize their error. Nothing has been farther from the purpose of the present administration than any thought of destroying the right of either labor or capital to organize, and each to deal in its organized capacity.

We have recognized that there are evils and abuses on both sides of the almost imaginary line which now is presumed to separate labor and capital. We have wished and sought to minimize these abuses, through better organizations and better understanding, without destroying organizations or the right to form them. We have not wished to compel men to work when they did not want to work; we have not wished to compel employers to keep men at work under conditions which were impossible; but we have earnestly sought to lessen the occasions for conflict between the two parties. We have tried to bring to both of them a realization that both owed in this connection an obligation to the great public interest which is always the great sufferer by reason of their conflict.

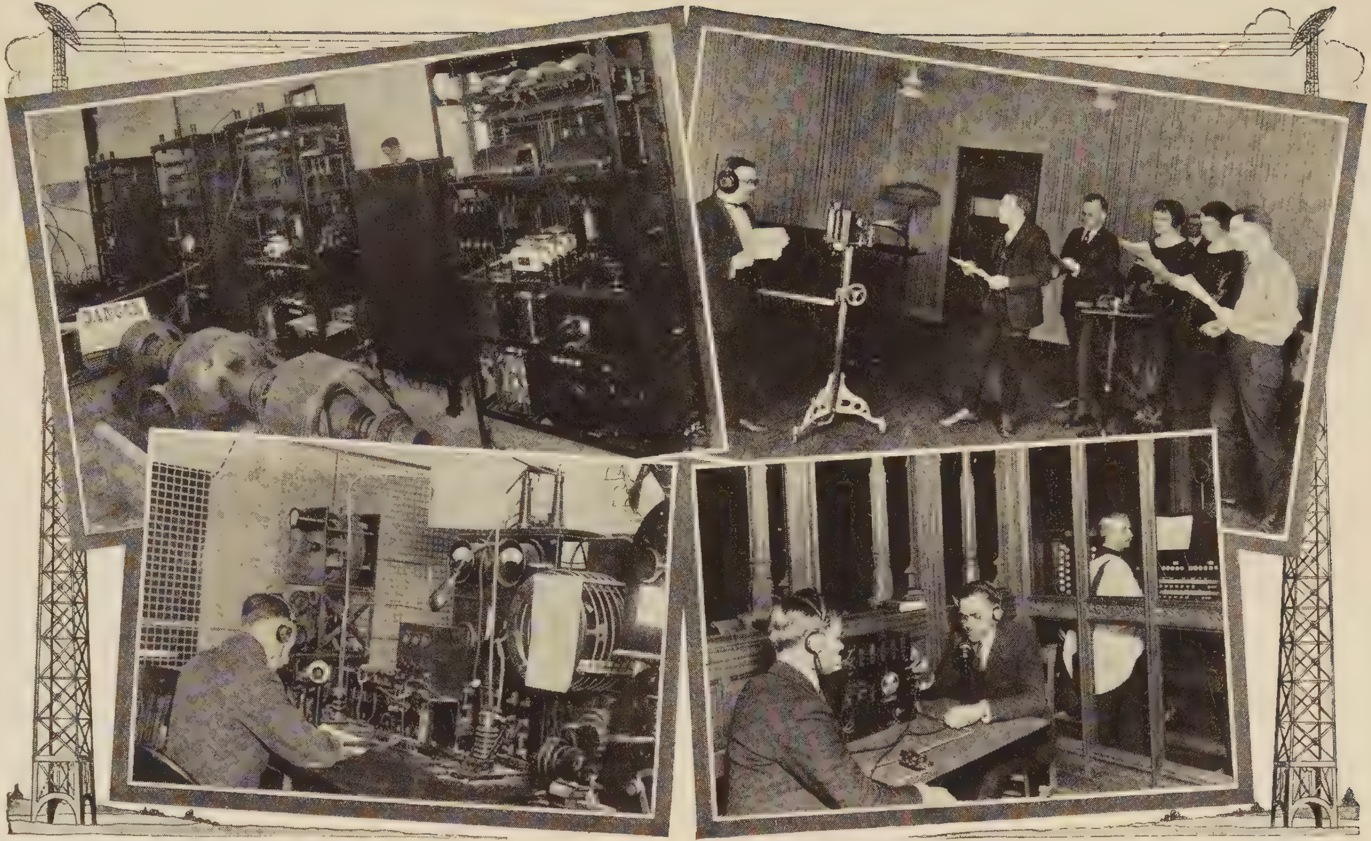
In this connection let me say quite frankly that I know there were some elements which hoped for a great and decisive conflict between organized employment and organized labor, and that those elements were not all on either side of the imaginary dividing line. On the capital side of the line were those who hoped that the administration would lend itself to their program of breaking down organized labor and sending it back to the era of individual bargaining for the individual job. On the labor side of the line were those who hoped, by exorbitant demands and an attitude of uncompromising insistence, to force the nationalization of some of our most important industries and services. Between these two extreme groups, confident we had behind us the overwhelming public opinion of the nation, we have tried to hold the scales even; to prevent on the one side the destruction of organized labor, and on the other side to frustrate those programs which looked to the ultimate destruction of private capital and the nationalization of all the instrumentalities of production.

How well have we succeeded? At least, we have saved the nation from the extremists of both sides. Those who were sure that our salvation lay in the destruction of organized labor and the precipitated reduction of wages have found that the national administration was not disposed to acquiesce in their program. For many months past they have noted that the demand for labor was greater than the supply; that instead of millions of men out of jobs, there were tens of thousands of jobs without workers; that instead of a sharp and progressive reduction of labor's wage, there has been now for a long time a steady, continuing, persistent increase in that wage. On the other side, those who would have been glad to drive the country into an industrial crisis through the stoppage of production, and to force the nationalization or communization of industry, have been equally disappointed in the outcome.

I believe our policy, and its results, have reflected the sound judgment of the overwhelming majority of the American people. I believe this people is firmly and finally committed to the ideal of preserving the fullest rights of private initiative and private enterprise, together with the right of organization on both sides of the line between capital and labor, and always consistent with the right of the public to be served efficiently and at a reasonable cost.

We have come thus far, and thus fortunately, through the most difficult period of reconstruction that we have ever known. We have been sheltered against the world storm of tendency to social revolution. The best test of policy is by results. By that test, we ask no more than a fair and reasoned verdict on our program. We ask that its results be compared with the showing, in these after-war years, that can be presented by any other country on the face of the earth. We ask that you examine the contrast, thoughtfully and seriously, between the general state of the public weal in this country and in others. For our vindication, we point to a great nation, its credit preserved, its industries crowded to the point of capacity production, its people employed, its wage scales high beyond all comparison with any other in the world, its banking system standing as the final bulwark of sound money and the gold standard, and its average level of comfort and prosperity unexampled among the races of men.

If I could make the fortunate picture stand out by offering contrast, I would speak of Russia and the colossal failure of its mad experiment. The dissatisfied working forces of America, where there are such, and



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BROADCASTING ON THE RADIO

RADIO BROADCASTING

The invention and general use of the radio completely transformed the social life of many families in the third decade of the twentieth century. Not only was the isolated farmer presented with a medium of communication with his fellows, but even dwellers in the thick of the metropoles of the country preferred an evening at home listening to the radio to any of the manifold outside diversions open to them. Political addresses, concerts, athletic contests, sermons, bedtime stories for the little folk—there were few events which the listener on the radio could not enjoy almost as though he were present at them in the flesh.

One of the panels on the preceding page shows some of the apparatus in connection with one of the largest broadcasting stations in the country. Another panel shows a broadcasting station used by the New York City Police Department to send out to the general public descriptions of criminals and missing persons, as well as of those injured in fires or other disasters. Another panel shows a play being produced. The director is equipped with a pair of padded headphones and thus is able to hear the play as it sounds to the listeners to whom it is being broadcasted. He conducts the play by instructions printed on cards. The last panel shows the broadcasting of the organ music in a church service in New York City, the first to be broadcast to the entire United States.

the parlor theorists who have yet to create a single thing useful to aspiring human kind, will find there less of freedom, much less of reward, and little of hope in much proclaimed emancipation. Royal absolutism has been destroyed, only to be superseded by what appears to be despotism in the name of democracy. To a limited few of democracy's advocates has come vast power. Perhaps wealth attends. Undoubtedly a new Russia is in the making, and there is no doubt the present sponsorship will survive.

Apart from the tragedy of it all, I am glad Russia is making the experiment. If twenty centuries of the Christian era and its great story of human progress and the countless centuries before the light of Christianity flamed have been lived and recorded upon mistaken theories of a righteous social order, then everything is wrong, Christianity a failure, and all of civilization a failure. I think Russia is going to rivet anew our belief in established social order. Meanwhile we know ours is the best the world has revealed, and I preach the gospel of holding fast to that which has proven good, ever trying in good conscience to make it better, and consider and treat as an enemy every man who chooses our land as a haven in which to assail the very institutions which shelter him.

There are two phases of the commitment of the great human family. It is of little use to advance unless we hold to the advanced position. It is useless to construct unless we preserve. In the recognized test which our civilization is now undergoing America's supreme task is one of preservation. I call upon America to protect and preserve.

[The Oregon Trail.]

MEACHAM, OREGON, *July 3, 1923.*

MY COUNTRYMEN: As I stand here in the shadow of the great hills, my mind reverts to the placid banks of the broad Potomac. There, as here, to an American proud of his country and revering her traditions, there is much of patriotic interest, and between these rugged mountains and those fertile lowlands I find much in common. Living history records many indissoluble links, to one of which it seems fitting that I should direct your attention to-day.

Of the many rooms in the White House which possess the peculiar charm of association with epochal happenings, the one most fascinating to me is that which formerly comprised the Cabinet room and the President's study. Through its high windows one's gaze is drawn irresistibly to the towering granite shaft whose very grandeur, exceeded by no other monument in the world, admirably symbolizes the matchless character of George Washington. The beautifully carved mahogany bedposts are those upon which fell the eyes of Andrew Jackson when opened from the troubled slumber which even to this day occasionally falls to the lot of an over-weary President. Sunk into the marble mantel piece is a bronze tablet recording the circumstance that it was in this room that Abraham Lincoln signed the great emancipation proclamation, which struck the shackles of slavery from millions of human beings.

Yet another episode of hardly less importance in the building of our mighty nation took place within those walls. Before my mind's eye as I stood in that historic chamber a few days ago appeared the vivid picture. I beheld seated at his desk, immaculately attired, the embodiment of dignity and courtliness, John Tyler, tenth President of the United States. Facing him, from a chair constructed for a massive frame, his powerful spirit gleaming through his cavernous eyes, was the lion-visaged Daniel Webster, Secretary of State.

The door opened and there appeared before the amazed statesmen a strange and astonishing figure. It was that of a man of medium height and sturdy build, deep chested, broad shouldered, yet lithe in movement and soft of step. He was clad in a coarse fur coat, buckskin breeches, fur leggings, and boot moccasins, looking much the worse for wear. But it was the countenance of the visitor, as he stood for an instant in the doorway, that riveted the perception of the two chiefs of state. It was that of a religious enthusiast, tenaciously earnest yet revealing no suggestion of fanaticism, bronzed from exposure to pitiless elements and seamed with deep lines of physical suffering, a rare combination of determination and gentleness—obviously a man of God, but no less a man among men.

Such was Marcus Whitman, the pioneer missionary hero of the vast, unsettled, unexplored Oregon country, who had come out of the West to plead that the state should acquire for civilization the empire that the churches were gaining for Christianity.

Many of the exploits of America's resolute sons are recounted in prose and verse. How often in our youth, and even in later years, have we been thrilled by the story of how "on through the night rode Paul Revere, through every Middlesex village and farm" to call the Minute Men to embattle at Lexington and fire "the shot heard 'round the world!" How many times we have shuddered at the impending fate of the Shenandoah Valley with "Sheridan twenty miles away!" I loved the martial notes of those stirring verses as a boy. I love them still.

But, when I stood in that historic room in the White House and my imagination depicted the simple scene, I could not but feel that the magnificence of Marcus Whitman's glorious deed has yet to find adequate recognition in any form. Here was a man who, with a single companion, in the dead of winter, struggled through pathless drifts and blinding storms, four thousand miles, with the sole aim to serve his country and his God. Eighty years and eight months ago he was pushing grimly and painfully through this very pass on his way from Walla Walla to

Fort Hall, thence, abandoning the established northern route as impassable, off to the South through unknown, untrodden lands, past the Great Salt Lake, to Santa Fe, then hurriedly on to St. Louis and finally, after a few days, again on the home-stretch to his destination, taking as many months as it now takes days to go from Walla Walla to Washington.

It was more than a desperate and perilous trip that Marcus Whitman undertook. It was a race against time. Public opinion was rapidly crystallizing into a judgment that the Oregon country was not worth claiming, much less worth fighting for; that, even though it could be acquired against the insistence of Great Britain, it would prove to be a liability rather than an asset.

It is with sheer amazement that we now read the declarations of the leading men of that period. So good an American, so sturdy a frontiersman, so willing a fighter, as General Jackson, shook his head ominously in fear lest the national domain should get too far outspread, and warned the country that its safety "lay in a compact government." Senator McDuffie, of South Carolina, declared he "would not give a pinch of snuff for the whole territory," and expressed the wish that the Rocky Mountains were "an impassable barrier." Senator Dayton, of New Jersey, said that, with very limited exceptions, "the whole country was as irreclaimable and barren a waste as the Sahara desert," and that malaria had carried away most of its native population. Even so far-seeing and staunch an advocate of western interests as Thomas Benton protested that the ridge of the Rockies should be made our western boundary, and avowed that "on the highest peak the statue of the fabled god, Terminus, should be erected, never to be thrown down."

Webster, although not definitely antagonistic, was uninterested and lukewarm. Years before he had pronounced Oregon "a barren, worthless country, fit only for wild beasts and wild men," and he was not one who changed opinions readily. But neither was Whitman one easily dismayed. Encouraged by the manifest friendliness of President Tyler, he portrayed with vivid eloquence the salubrity of the climate, the fertility of the soil, the magnitude of the forests, the evidences of ore in the mountains, and the splendor of the wide valleys drained by the great rivers. And he did not hesitate to speak plainly, as one who knew, even like the prophet Daniel.

"Mr. Secretary," he declared, "you would better give all New England for the cod and mackerel fisheries of Newfoundland than to barter away Oregon."

Then, turning to the President in conclusion, he added quietly but beseechingly:

"All I ask is that you will not barter away Oregon or allow English interference until I can lead a band of stalwart American settlers across the plains. For this I shall try to do."

The manly appeal was irresistible. He sought only the privilege of proving his faith. The just and considerate Tyler could not refuse.

"Doctor Whitman," he rejoined sympathetically, "your long ride and frozen limbs testify to your courage and your patriotism. Your credentials establish your character. Your request is granted."

Whitman's strategy was true statesmanship. Substantial occupation would make good the claim of the United States, and that was what he had initiated during his few days in St. Louis. A few months later he had completed an organization of eager souls, and led the first movement by wagon train across plains and mountains along this unblazed trail.

What a sight that caravan must have appeared to the roaming savages! And what an experience for the intrepid pioneers!

More than two hundred wagons, bearing well-nigh a thousand emigrants, made up the party. They traveled by substantially the same route that Whitman had taken when he first went out to Oregon; from a rendezvous near what is now Kansas City they moved due northwest across northeast Kansas and southeast Nebraska to the Platte River; followed the Platte to the middle of what is now Wyoming, thence crossing the mountains by way of the Sweetwater Valley and the South Platte; and from Fort Hall, following the well-known route, roughly paralleling the Snake River, into Oregon. The difficulties of the trip, involving beside the two hundred wagons, the care of women and children, and of considerable herds of live stock, were such that its successful accomplishment seems almost miraculous.

But stern determination triumphed and the result was conclusive. Americans had settled the country. The country belonged to them because they had taken it; and in the end the boundary settlement was made on the line of the forty-ninth parallel, your great Northwest was saved, and a veritable Empire was merged in the young Republic.

Never in the history of the world has there been a finer example of civilization following Christianity. The missionaries led under the banner of the cross, and the settlers moved close behind under the star-spangled symbol of the nation. Among all the records of evangelizing effort as the forerunner of human advancement, there is none so impressive as this of the early Oregon mission and its marvelous consequences. To the men and women of that early day whose first thought was to carry the gospel to the Indians—to the Lees, the Spauldings, the Grays, the Walkers, the Leslies, to Fathers De Smet and Blanchet and De Mers, and to all the others of that glorious company who found that in serving God they were also serving their country and their fellow men—to them we pay to-day our tribute; to them we owe a debt of gratitude which we can never pay, save partially through recognition such as you have accorded to-day.

We may reasonably do more to-day than rejoice in possession of the imperial domain which they revealed, and the life they made possible to the virile, aspiring, and confident Northwest. I find new assurances in recalling the heroism, the resolution, the will to conquer of these pioneers.

I wish I might more effectively visualize them. Not very long ago I saw the covered wagon in the moving picture. I sat entranced. There was more than the picturesque, more than sorrow and discouragement, more than appealing characters and enthralling heroism. There was more than the revelation of the irresolute, who failed in fitness to survive, more than tragedy and comedy in their inseparable blend. There was more than the scouts who surpassed our fancies, more than nature's relentless barriers revealed. Everywhere aflame was the soul of unalterable purpose and the commanding sturdiness of elemental greatness. Still more, there was determination to do, themselves, not asking the Government to do, but for Government only to sanction or permit.

Much the same spirit was revealed in the making of the Central West, where the determined pioneers builded in the confidence which they had in themselves. They battled with nature and every obstacle which they encountered, heroes perished without fame's acclaim, and they conquered and wrote big their part in the making of the greater Republic. Their victory proclaimed the strength of resolute purpose, and the human genius, confident in itself and eager to achieve on its own account.

The lesson can not fail to impress itself. In this test of self-reliant citizenship there came the rugged, militant, wholesome West. Greater things were wrought, larger accomplishment was recorded, greater victory was won in this wholesome, inspiring individualism than will ever attend paternalism or government assumption of the tasks which are the natural inheritance of the builders who may better serve for themselves. Government may well provide opportunity, but the worthwhile accomplishment is the privilege and the duty of men.

I thank you from my heart for permitting me to participate in doing homage to those brave souls. I rejoice particularly in the opportunity afforded me of voicing my appreciation, both as President of the United States and as one who honestly tries to be a Christian soldier, of the signal service of the martyred Whitman. And finally, as just a human being, I wish I could find words to tell you how glad I am to see you all, and reflecting as you do, from untroubled eyes, the happiness of spirit breathed by your own best song:

There are no new worlds to conquer—
Gone is the last frontier,
And the steady grind of the wagon-train
Of the sturdy pioneer.
But their memories live like a thing divine,
Treasured in Heaven above,
For the trail that led to the storied West
Was the wonderful Trail of Love.

[Foreign Policy and International Court of Justice.]

This address was to have been delivered in San Francisco on July 31, 1923. The President's illness prevented its delivery, but the speech was given out for publication on August 1, 1923.

My Fellow-Countrymen: Something in your golden gateway has impelled me to speak to you of the foreign relations of our republic. Happily it is not a message of anxiety, but one of satisfaction and rejoicing. It is easy to share the feelings of home concern of those who think first of all of our domestic fortunes, but there can be no divorcement in these modern days of home affairs and foreign relationships. Human progress had established a relationship little short of the community among nations, and there is and can be no great people in a position of permanent aloofness. The urging of commerce, quite apart from human fellowship, is fashioning intimate relationships each succeeding day. This pressure is not foreign; it is a reflex of American commercial aspirations. The Department of Commerce, newly vitalized under the administration of your fellow-townsman, alone frequently receives between three and four thousand inquiries a day for information relative to foreign trade. Amid such hungering of America for trade relations abroad the cordiality of our foreign relations is little less important than our tranquility and confidence at home.

When the present national Administration came into responsibility world affairs were in a complicated and very difficult posture. Our foreign relations presented many novel, delicate and far-reaching problems, and their fortunate solution is no less significant than our domestic rehabilitation.

We have strengthened our friendly relationships and have done much to promote peace in the world. We encountered a world condition in which peace had been covenanted, but the compact had been rejected by the United States Senate. This action left us in a technical state of war with the Central Powers of Europe and aloof from the colossal adjustments following the World War. Many just and very necessary rights were accorded to us under the Treaty of Versailles. But these were all threatened by uncertainty and doubt. Many parts of Europe were in a pitiable destitution; small wars persisted, and widespread revolutions upset the orderly processes of civilization; so that there was a chaos of peace little less menacing than the tumult of world war.

For a little while there had been a world remorse, a penitence promising a new order, but the temporary spirit of international dedication to a common cause soon gave way to a revived concern for particular national interests. The new and only partially re-established peace was threatened and the urgent processes of reconstruction were discouragingly retarded. Our own prestige, once reaching outstanding eminence in 1919, had been greatly impaired, and we faced a situation offering little promise of satisfactory solution. With faith in our sincerity of purpose, with the consciousness of utter unselfishness, the Administration promptly undertook the accomplishment of four main tasks:

First—The re-establishment of peace with the Central Powers and the orderly settlement of those important after-problems of the war which directly involved the United States.

Second—The protection and promotion, amid the chaos of conflicting national interests, of the just rights of the United States and the legitimate interests of American citizens.

Third—The creation of an international situation, so far as the United States might contribute thereto, which would give the best assurances of peace for the future; and

Fourth—The pursuit of the traditional American policy of friendly cooperation with our sister republics of the western hemisphere.

The eminent success and the far-reaching achievements must have their ultimate appraisal by American public opinion, but I submit them with unrestrained pride and sincere tribute to the historic services of a great Secretary of State.

Few people have stopped to measure the outstanding task of re-establishing peace. The peace negotiated by my distinguished predecessor, though he was impelled by lofty purpose, had evoked a bitter and undying controversy. It was conclusive to those who had studied the public verdict that our people would never consent to assume any obligations, moral or legal, which would fetter their cherished freedom of action in unknown contingencies. If our people are ever to decide upon war, they will choose to decide according to our own national conscience at the time and in the constitutional manner without advance commitment, or the advice or consent of any other Power. To revive the old controversy in any phase would have been disastrous.

We do not challenge the utility of the League of Nations to others; we wish it more power in every righteous exercise of its functions; but it is clearly not for us as presented in the Versailles covenant. To have fought over again the controversy would have postponed our resumption of peaceful relations, essential to our commerce, and impaired our own tranquility. So we took the only way, and the direct way, to peace, and we established it. We avoided controversy and recorded accomplishment. Negotiations were begun with the Central Powers, and those negotiations culminated in treaties which established peace with those countries on an equitable basis and at the same time preserved for the United States the rights embodied in the Paris treaties which we had acquired through participation in common victory. These treaties were promptly ratified and have been in full force since November, 1921.

Then followed quickly a treaty with Germany for the determination by a mixed commission of the amount of American claims against Germany. The Commission was promptly appointed, and the extraordinary tribute, unparalleled in international relationships, was paid to the American sense of justice by the suggestion on the part of Germany that the United States should appoint an American umpire. History has yet to record another like expression of trust by one nation in the fairness of another. In recognition of this signal tribute by the vanquished to a victor, I asked Justice Day to retire from the Supreme Court bench to serve in that capacity. I know you share my sorrow that ill-health forced his retirement from this great service, and only a little later his retirement was followed by his death.

A stupendous problem, no less important and no less difficult, was the settlement of the debts owed to the United States by its late associates in the World War. This involved the funding and eventual repayment to the American taxpayers of a total sum in excess of $10,000,000,000. A freely expressed sentiment among our own people had argued for cancellation, and it was more than seized upon and urged abroad; but we believed in the sanctity of contract and that world stability which is founded on kept obligations. Settlement may enforce hardships and denials and economies which hinder the easy way to restoration, but it maintains the foundations of financial honor which must be everlasting. Accordingly, Congress created the World War Foreign Debt Commission, and notice was sent to the debtor nations that this country was ready to negotiate an equitable adjustment. In response to this invitation the British Government sent a commission to Washington; a settlement with Great Britain was soon effected and subsequently approved by Congress and by the British Government. Under this settlement the British Government has undertaken the discharge of an obligation of more than four and a half billion dollars, and thereby put a fresh stamp of approval on the sacredness of international obligations.

When that settlement was announced there was a new assurance of stability throughout the world. More, here was the example of two great Powers dealing with a sum of indebtedness unparalleled in international history, and a settlement was promptly reached without the exactions of greed on the one hand or appeal to sentimental modification on the other, and two peoples were at once committed to the validity of international contract. An adjustment on a like basis has been reached with the Government of Finland, which awaits only the approval of Congress to become effective. Negotiations are now in progress with the Government of Czechoslovakia and Jugoslavia has given notice of its intention to send within the near future a mission to Washington for the same purpose. The advocacy of cancellation is drowned out by the advancing hosts of settlement and maintained integrity, and the United States will keep faith with its own people who loaned, as they fought, with faith in the republic.

Seemingly a trivial thing in itself, it was nevertheless a notable achievement to effect a successful settlement of the costs incurred for the maintenance of our army on the Rhine. Without adequate understanding, our own people were urging the withdrawal of our troops long before it was finally ordered, but nearly all of Europe, and Germany in particular, meanwhile was asking us to stay. There was a feeling that our military forces were immensely helpful in maintaining peace and order. We know that our military forces left behind them a fine and lasting impression of courtesy and consideration. But we were aloof from the Reparation Commission, and the payment for our Army of Occupation was ignored in the reparation payments made by Germany. We had received nothing up to January, 1923, though our costs had accumulated to an amount of more than $250,000,000. After discouraging delays, a definite plan for the payment of this large sum was negotiated at Paris, and the settlement was sanctioned late in May of this year. There is little about it all to make sentimental appeal, but it is a gratifying record of sane business and the seemly assertion of our just rights.

Few post-war adjustments have embodied greater potentiality of harm or exacted more careful vigilance in behalf of American interests than the new experiment of mandates, to which the United States ceased to be a direct party upon rejection of the Treaty of Versailles. We denied for ourselves any acquirement of territory, but that denial surrendered no rights which accrued to us along with the Allied victors in the war. I mean the rights of equality in industry and commerce. Under the system of mandates an effective sovereignty over former German overseas possessions was transferred to certain of the Allied Powers, and it was necessary for us to obtain definite assurances from those Powers that our citizens should not suffer discrimination in territories which came into their possession in the bestowal of the fruits of victory.

We had sought none of those fruits, but we had yielded none of our rights. So negotiations to this end were promptly begun. The island of Yap had special advantages as a cable centre, and an acute difference developed concerning its control. A settlement satisfactory to all concerned was nevertheless reached with the mandatory Power, Japan, and the treaty which was concluded and sanctioned fully secures all American rights with respect to all those Pacific Islands north of the Equator over which Japan exercises its mandate. The contention that the United States is rightfully entitled to fair opportunity in the mandated regions held by other Powers had been successfully presented to the Governments of France and Belgium, and satisfactory treaties have been signed with those Powers relating to the territories in Africa under their control.

Negotiations are now in progress with Great Britain relating to the

British mandated territories in Africa, and we look with confidence to a satisfactory treaty. Since I am only paying tribute to the Department of State in so saying, I may say becomingly that these adjustments of mandate difficulties constitute an outstanding achievement of inestimable importance and benefit to our America.

The outstanding historical monumental achievement is the Washington Conference on the Limitation of Armament. Only a few days ago the Government of France gave the ratification which makes unanimous the approval of the nations concerned, and confirms the dawn of a new era in international cooperation for world peace.

From the day the present Administration assumed responsibility it has given devout thought to the means of creating an international situation, so far as the United States might contribute to it, which would give assurance of future peace. We craved less of armament, and we hated war. We felt sure we could find a rift in the clouds if we could but have international understanding. We felt sure that if sponsors for Governments could only face each other at the conference table and voice the conscience of a penitent world, we could divert the genius and the resources of men from the agencies of destruction and sorrow to the ways of construction and human happiness. The world was needing some new assurances. The old British-Japanese military alliance was about to be extended, at a time when alliances were less needed, and common consecration at the altar of peace was a pressing world necessity. There was anxiety about the Pacific area, no one knew why, but the prophets of evil were prolific in forebodings. It is a pity we have the mischief makers who are ever adding to the burdens of distrust, but we do have them and in 1921 they were busy in our land and in the East, exciting suspicion and ill feeling. War might easily have been precipitated; but responsible government heads knew that the great undercurrent of human feeling was flowing toward peace, and that a frank discussion would reveal it. The world was weary of war burdens and armament cost, and an honest and authoritative confession would reveal that fact so that men might act in concert to relieve the situation and make for widespread amity.

The Limitation of Armament Conference was significantly triumphant in two accomplishments; it relieved and limited the burden and found a way to remove the causes of misunderstanding which lead to war. In the gloom and grief of the world, the Conference table lighted the torch of understanding and pointed the simplest way to peace. The Conference proved one of the greatest achievements in the history of international relations. Its four great treaties, now ratified, related to the limitation of naval armament, to the restricted use of submarines and poison gases, to principles and policies restoring the integrity of China, and to the regulation of Chinese customs tariff. Important resolutions were adopted, providing a commission of jurists to consider amendments to the laws of war, made necessary by new agencies of warfare; for a board of reference for Far Eastern questions; for international unity of action respecting various matters affecting China, such as extraterritoriality, foreign postal agencies, foreign armed forces, unification of railways, reduction of Chinese military forces, publicity for existing commitments, and the Chinese Eastern Railway. Though not a part of the Conference, the Shantung treaty between China and Japan grew out of it, accomplishing for China a restoration in which Versailles had failed, and China today needs only her self-assertion to find a restored place among the nations, with her own destiny impelling and wholly in her own hands.

Another achievement, not technically a part of the work of the Conference as such, but which was negotiated while the Conference was in session and which was most important, was the Four-Power Treaty between the United States, the British Empire, France and Japan, relating to their insular possessions and insular dominions in the Pacific Ocean. This treaty provided for the termination of the Anglo-Japanese Alliance, and in the pledge of respected rights it recorded a new assurance of peace. Not the semblance of war's foreboding in the Pacific remained when this covenant of good faith was signed.

Probably the most important results of this historically important conference are those which are unwritten and imponderable. I refer to the revelations of sentiment and purpose, to the manifestations of good-will and the evident thirst for better understanding. New friendships were assured, new confidence revealed. Where there is friendship and confidence, treaties to maintain peace are of least importance. The friendly relationship and the soul of national honor are infinitely more important to peace than a written form of their expression. If you would measure the work of the conference, contrast the present opinion as to peace in the East with the view which was widely entertained and frequently expressed before the conference was held. The mists, which had the forebodings of war clouds, have been dispelled. There is confidence today; fears have been allayed, and out of understanding has come a new feeling of friendship and respect. Quite apart from specific engagements, it was a distinct achievement to produce a new state of mind, a reign of good-will and with it new assurances with respect to our relations in the Far East. There has been a way revealed to the world, the way of peace, and if humanity and its governments will only accept the indicated way, that which has been a world lament may be turned to a universal paean of rejoicing.

The preservation of the just rights of the United States and its citizens has been maintained as to the basis of an American policy in respect to two very difficult situations, one growing out of revolution attending the World War, the other antedating the war itself. I refer first to the situation in Mexico. Our feeling toward the Mexican people is one of entire and very cordial friendliness, and we have deeply regretted the necessity for the continued suspension of diplomatic relations. We have no hatred toward Mexico, no selfish ends to serve at her expense. We have no promptings other than those of a neighborly friendship. We have no desire to interfere in the internal concerns of Mexico. We respect in the Mexican people the same rights of self-determination which we exact for ourselves. It is not for us to suggest what laws she shall have relating to the future, for we willingly acclaim Mexico as the judge of her own domestic policy.

We do, however, maintain one clear principle which lies at the foundation of all international intercourse. When a nation has invited intercourse with other nations and has enacted laws under which investments have been legally made, contracts entered into and property rights acquired by citizens of other jurisdictions, it is an essential condition of international intercourse that lawful obligations shall be met, and that there shall be no resort to confiscation and repudiation. We are not insistent on the form of any particular assurance against confiscation, but we do desire the substance of such protection. We would give as freely as we ask. Such assurance is in the interest of permanent friendly relations. We have sought to have this wholly defensible attitude understood by our Mexican neighbors ever since the present Administration came into power. I am happy to say that we now have our Commissioners in conference at Mexico City and it is earnestly hoped that there may be definite and favorable results from their exchange of views with the Mexican Commissioners. We crave not only friendly diplomatic relationship, but we wish it to be founded upon an understanding which will guarantee its permanence. Upon such an understanding we may jointly promote the most neighborly friendships which shall mutually advantage the two republics.

The problem of Russian recognition is complicated by a fundamental difficulty, because of a government régime there whose very existence is predicated upon a policy of confiscation and repudiation. No one much questions the continuation of the present government or wishes to direct the expression of Russian preference. There is an unfailing friendship in the United States for the people of Russia. The deplorable conditions in Russia have deeply touched the sympathies of the American people, and we have sought to give evidence of friendship rather than dictate the course of its government. I gladly recommended an appropriation of $20,000,000 by Congress for the relief of her famine-stricken people, and, all told, America's friendly interest has been expressed in a $66,000,000 relief expenditure, handled in the main by the Secretary of Commerce, in distributing food and combating disease. That this Administration, supported by the strength and generosity of the American people, has saved the lives of ten millions of men, women and children in Russia, at the very door of death from famine and pestilence, is the complete answer to every charge of our ill will toward the Russian people.

It has been urged that we ought to grant political recognition to the present Russian régime because the destitution of the Russian people would thereby be put in the way of alleviation, and that this humane appeal is so urgent that all other considerations should be put aside, but the fact remains that the establishment of a basis of permanent improvement in Russia lies solely within the power of those who govern the destinies of that country, and political recognition prior to correcting fundamental error tends only to perpetuate the ills from which the Russian people are suffering. International good faith forbids any sort of sanction of the Bolshevist policy. The property of American citizens in Russia, honestly acquired under the laws then existing, has been taken without the color of compensation, without process of law, by the mere emission of countless decrees. Such a policy challenges the very groundwork of righteous intercourse among peoples and rends the basis of good faith everywhere in the world.

If the fundamentals of our boasted civilization are based on twenty centuries of maintained error, if the Russian conception of the social fabric is the true revelation, tardily conceived after forty centuries of evolution and development, the truth will ultimately assert itself in the great experiment. I can see Russia only as the supreme tragedy and a world warning, the dangers of which we must avoid if our heritage is to be preserved. If the revolutionary order is the way to higher attainment and greater human happiness, Russia will command our ultimate sanction. Meanwhile, I prefer to safeguard our interests and hold unsullied the seemingly proven principles under which human rights and property rights are blended in the supreme inspiration to human endeavor. If there are no property rights, there is little, if any, foundation for national rights, which we are ever being called upon to safeguard. The whole fabric of international commerce and righteous international relationship will fail if any great nation like ours will abandon the underlying principles relating to sanctity of contract and the honor involved in respected rights.

We were never technically at war with Turkey, and had no part in the Greek-Angora conflict, which threatened to set the Near East aflame. But the rights of our nationals and other nationals long recognized by accepted civilization were involved in the settlement, and we had our representatives at Lausanne, not only to protect those rights, but to serve humanitarian interests and promote the cause of peace. Cynical critics sneered at our "unofficial" representatives, but the Powers of the Old

World thought well enough of them to tender to the United States the chairmanship of the conference. It could not be accepted, for manifest reasons, but we did not fail to voice American sentiment on behalf of Christian minorities, and we did assist in reaching a settlement calculated to assure their future protection. I firmly believe that the American influence at Lausanne played a becoming part, and an influential part, in making for peace, when all the world stood in apprehension of an armed conflagration, the horrors of which no one ventured to predict. Unselfishness and understanding argued for the same grant to others which we would demand for ourselves, and that attitude was never successfully challenged. We supplemented state credit with a humanitarian work and a necessary and highly appealing relief work which planted the seeds of good-will in the Near East, to blossom in the years to come, and we left there the appeal of good-will and mutual understanding to argue for peace for all the future, so long as memory abides.

An achievement of a different kind in the humanitarian field has just been accomplished through the participation of American representatives in a conference at Geneva, dealing with international traffic in opium and other narcotics. A policy of aloofness would have forbidden our presence there, but human helpfulness impelled attendance. The American representatives recorded a distinct accomplishment in obtaining the substantial acceptance of the proposals which they put forward, looking to the effective restriction of the opium traffic to the minimum required for medicinal and scientific purposes. Out of the American example, out of confidence in American unselfishness, has come a succession of incidents which reveal our influence and effective good-will in the economic and political fields, as well as those of humanity. Persia gave proof of her confidence in American impartiality and integrity by inviting the nomination of an American expert for the post of Administrator General of her finances. Colombia requested and is receiving the services of American financial experts in the study of her financial conditions. A cordial friendship with Colombia has been fully re-established and her people are welcoming the agents of American development and facilitating their activities. Brazil invited an American Naval Commission to participate in the development of her befitting naval defense, and such a commission was named—a fine testimonial of confidence and a deserved tribute to our navy.

Nothing can surpass the success of the maintenance and furtherance of our traditional policy of friendship and utterly unselfish helpfulness to our sister republics in the Western Hemisphere. We have given new proof of our cherishment for their independence, our desire for their peace, our wish for their unimpaired integrity and their increasing prosperity. It can not be unseemly to say that the proof of their confidence and the assurances of their reciprocated friendship are matters of especial gratification. If there was once a suspicion of intended domination or dictation, when only the most generous friendship was intended, it has been entirely dissipated. When we found Panama and Costa Rica about to engage in war we pointed the just way to peace, the very route we ourselves would have taken, indeed have taken. We merely asked them in join in holding sacred an agreement to accept an arbitral award. The ways of peace are in kept agreements.

We may gratefully contemplate new progress in Cuba toward stability and restored prosperity. Cuba was desperately hit by the deflation which followed in the wake of war, but out of the helpful advice, which was inspired by true friendship and extended because of our peculiar relationship, Cuba is now well on the road to economic recovery and healthful restoration.

Where resentment once abided because of the presence of our military forces in the Dominican Republic, there are today universal expressions of approval, and the processes of setting up a constitutional government have made gratifying progress. The provisional government is in actual operation, the constitution for a permanent government will soon be voted upon and it is expected that our trops may be withdrawn within the current year. To-day there is complete trust in the unselfish aims of our Government and a new record of high purpose will soon be completed. Progress in Haiti is giving promise of an almost unhoped for success. Peace and order have been established and safety of life and property exists for the first time in that troubled republic. A new day is dawning in Haiti, and the foundations of security are being safely laid. Public order has been so improved in the interior that our marines have been practically withdrawn therefrom, and the day is in prospect when our complete withdrawal from the island may be contemplated.

Those who little understood saw the United States embarked on a program of domination and exploitation, but the written history will recite another instance of a great republic's insistence on order and justice with a righteous peace attending.

The friendly offices of this Republic in furthering the settlement of a dispute, a generation old, between Chile and Peru have been attended by a most gratifying promise of success. With avowed confidence in our sense of justice, the Governments of Chile and Peru have agreed to submit to arbitral settlement the long-standing Tacna-Arica controversy. Through our friendly advices and a resulting conference in Washington these Republics have agreed upon a plan of peaceful settlement of the dispute which has divided them and troubled their relations for more than thirty years. The gratifying proof of confidence in the United States lies in their acceptance of our decision in the capacity of arbitrator. This is another tribute to the way of peace revealing understanding.

Added proof of our deep concern for Central American stabilization was revealed in the Washington conference of the five republics—Costa Rica, Guatemala, Honduras, Nicaragua and Salvador—assembled last December. New understandings were reached, the treaties of 1907 were made effective, measures were promoted to limit armaments, plans were worked out for the peaceful settlement of disputes, a general treaty of peace and amity was signed and the establishment of an international Central American tribunal was effected. Here was written a new and valid assurance of peaceful relations among the republics of Central America, a new proof that this republic favors conditions conducive to the best interests of the whole of the Western Hemisphere and more evidence that friendship and understanding open the avenues to peaceful progress.

In like spirit, in the same assurance that we always may confidently look into the faces of the spokesmen of all governments everywhere, our delegates attended the fifth international conference of American States held at Santiago, Chile. It was an occasion of most complete understanding between the United States and other participating governments. The results, tangible and intangible, are sure to facilitate commercial and other intercourse in the Western Hemisphere. While our diplomacy is not commercial, we do recognize the ties of trade and the fostering of exchanges of friendly relationship. When we give precisely as we ask, we are entrenched in righteous relationship. Frankly, trade impelled and lines of understanding urged the readjustment relating to the cable companies in various Central and South American countries, and to-day the way is open for the laying of one or more cables directly down the east coast of South America which will bring these countries into closer communication with us and facilitate commerce and the exchange of news—always the ways of understanding.

Our relations in the Western world truly symbolize our position in the whole world; they reveal our friendly and peaceful intent and purpose. We have only the most genuine friendship for all. We seek nothing which belongs to another. We do not strive for aloofness, but we do not make an un-American commitment. We have shunned no obligations which duty has called us to share with others. We maintain a scrupulous respect for the rights of friendly nations in the adjustment of their own affairs not directly affecting the United States, and we have avoided their entanglements. With firmness we have asserted American rights and have insisted upon the open door of opportunity where Americans may enter on righteous and lawful ways, precisely as do other nationals everywhere under the shining sun. With the political controversies of other countries, which have often strained their friendly relations, we have had no part. In adherence to our conception of justice, with becoming dignity, we have maintained our rights, we have yielded willingly to the rights of others and we dwell in cherished and unthreatened peace.

I have thus far made no allusion to the hungering of humanity for new assurances that the world may be equally blessed. Peace ought to be the supreme blessing to all mankind. Armed warfare is abhorrent to the ideal civilization. Nations ought no more to need resort to force in the settlement of their disputes or differences than do men in this enlightened day. Out of this conviction, out of my belief in a penitent world, craving for agencies of peace, out of the inevitable presidential contact with the World War's havoc and devastation and the measureless sorrow which attended and has followed, I would be insensible to duty and violate all the sentiments of my heart and all my convictions if I failed to urge American support of the permanent court of international justice. I do not know that such a court will be unfailing in the avoidance of war, but I know it is a step in the right direction and will prove an advance toward international peace for which the reflective conscience of mankind is calling. Why should there not be a court of this character with the most cordial American support? We originated the modern suggestion of such a tribunal and have been advocating it for years. We have proclaimed in behalf of its establishment again and again. Its origin is no hindrance, because its inspiration, growing out of conditions which we ourselves were unable to contrive, need be no less noble. Our own concern is not with the beginning. Our interest is in the end to be attained.

There manifestly are controversies between nations, as there are between the men who constitute them, which should be decided by a court. There are controversies calling for the examination of facts and the application of principles of law. There are international contracts, better known as treaties, now more numerous than ever, to be interpreted. I should be the last man in the United States to surrender an essential national right or to yield the right to exercise self-determination. But here is a distinction between questions of a legal nature and questions of policy or of national honor, and there has emerged from the discussions of jurists an agreement defining justiciable disputes as those which relate to the interpretation of a treaty, to any question of international law, to the existence of facts which would constitute a breach of international obligation, or to the reparation to be made for such a breach. A nation which believes in the reign of law, preferable to the rule of force, must subscribe to an agency for the law's just construction.

How else may controversies between nations be determined? Is a controversy to be left a festering sore? If it is, then there is ever increasing danger that the ultimate alternative to peaceful settlement would be arbitrament of arms. The logical way to prevent war is to dispose of the causes of war, and the honest desire for peace must be supported by the institutions of peace. If controversies over legal rights are to be determined peacefully there must be a tribunal to determine them, and I most devoutly wish the United States to do its full part, to voice a national conscience toward making secure the provision and strengthening the agencies for the peaceful settlement of international disputes. Our own interests require the judgment of such a tribunal of international justice, and the interests of world peace demand it. Because such a court is not able to deal with every sort of controversy, but only with those appropriate for a court to decide, is no more reason for dispensing with it than that we should cease hating war because there is no effective way to outlaw it. I would instantly subscribe to any proposal to outlaw war if some one would point to the effective way to accomplish it. There is no immediate access to perfected world conditions. No demand for the millenium will prevent war. If the plain and very simple path of progress in dealing with these controversies which all countries recognize to be susceptible to settlement through judicial tribunals is not to be followed, then hope lies dead and no progress is possible.

My own sincerity of purpose has been questioned because I do not insist that we shall accept the existing World Court precisely as provided. Personally I should vastly prefer the policy of submitting all controversies in which we are concerned to the court as it stands today as against any other agency of settlement yet devised. As President, speaking for the United States, I am more interested in adherence to such a tribunal in the best form attainable than I am concerned about the triumph of Presidential insistence. The big thing is the firm establishment of the Court and our cordial adherence thereto. All else is mere detail. No matter what the critics may say, we have the obligation of duly recognizing constituted authority, and I had rather have the Senate grant its support and have the United States wholeheartedly favor the permanent court than prolong a controversy and defeat the main purpose. I respect the Senate precisely as I would have it respect the Presidency, and I can appraise opposition which is conscientiously inspired. In the grant of the same consideration which I would be justified in asking, I cherish the belief that fear may be allayed and hope encouraged.

It is the forward step to which we must first aspire. Our hopeful aspiration is to contribute whatever we can toward the elimination of the causes of war. My recital of two years of work in furthering our friendly foreign relations has had for its object the emphasis of that aspiration and the fruits of practicable application. Future accomplishments must be founded upon the combination of considered and practicable steps, and must have the support of an undivided American good will. The real hope of permanent and effective accomplishment depends upon freedom from internal dissension and international dissension. The forward steps already taken ought to be followed by many others in our generation, but the way to permanent world peace is a long and difficult one. Those who allege that the suggested ways or the accepted programs of today are final are denying the ever-impelling impulse to human progress. The surpassing accomplishments are progressively made, and I know that the soul of America will light the way to a gratifying victory. When that glad day comes—I hope it will be soon—when the sincerity of our own aspirations and the sincerity of the world's convictions bring us to a united endeavor, we shall forget that there were necessary compromises which hindered but did not obstruct, and all may rejoice in the assurances which are those of peace, with all its blessings.

QUESTIONS

1. What was President Harding's recommendation for the control of trade unions? See page 9028.
2. How much help has the Government been rendering disabled veterans of the World War? See page 9148.
3. What were the more important international agreements resulting from the Conference on Limitation of Armaments? See pages 9076 to 9094.
4. What were the steps taken by the Government during the Coal and Railroad Strikes in the summer of 1922 and what success attended them? See page 9138.
5. What was President Harding's attitude toward the enforcement of Prohibition? See pages 9183 and 9274.
6. What was his program for assistance to the American merchant marine? See pages 9100 and 9160.
7. On what grounds did the Harding Administration set its face firmly against granting a bonus to our soldiers and sailors who served in the World War? See pages 8979, 9098 and 9147.
8. Under what heads are the expenses of the Government now distributed and what is the outlook for any marked decrease in our tax burdens? See pages 9169 and 9172.
9. What were the purposes and powers of the Agricultural Credit Corporations and Intermediate Credit Banks established during the Harding Administration? See page 9266.
10. Why did Harding urge the adhesion of the United States to the Permanent Court of International Justice? See pages 9207 and 9241.
11. Why was Harding opposed to the cancellation of the foreign war debts owed the United States? See page 9284.
12. What was, to Harding's mind, the case for consolidation of the railroads into regional groups? See pages 9252 and 9256.

SUGGESTIONS.

The treaties of peace with Germany and Austria-Hungary, ratified by the Senate instead of the Treaty of Versailles, will be found on pages 8989 to 8996. The separate agreement, with Germany for the settlement of claims under the peace treaty with her begins on page 9135.

President Harding's address at the burial of an unknown American soldier in Arlington Cementery on Armistice Day, 1921, begins on page 9010.

His position on the surtax rates on the higher incomes is explained on page 9014.

His address at the dedication of the Lincoln Memorial in Washington begins on page 9127.

The Harding Administration's reasons for urging flexibility in our tariff schedules are presented on page 9137.

NOTE.

For further suggestions on Harding's administration, see Harding, Warren Gamaliel, in the Encylopedic Index.

By reading the Foreign Policy of each President, and by scanning the messages as to the state of the nation, a thorough knowledge of the history of the United States will be acquired from the most authentic sources; because, as has been said, "Each President reviews the past, depicts the present and forecasts the future of the nation."

Calvin Coolidge

August 3, 1923—

Messages, Proclamations, Executive Orders and Addresses to Congress and the People

SEE ENCYCLOPEDIC INDEX

The Encyclopedic Index is not only an index to the other volumes, not only a key that unlocks the treasures of the entire publication, but it is in itself an alphabetically arranged brief history or story of the great controlling events constituting the History of the United States.

Under its proper alphabetical classification the story is told of every great subject referred to by any of the Presidents in their official Messages, and at the end of each article the official utterances of the Presidents themselves are cited upon the subject, so that you may readily turn to the page in the body of the work itself for this original information.

Next to the possession of knowledge is the ability to turn at will to where knowledge is to be found.

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CALVIN COOLIDGE AND MRS. COOLIDGE
IN FRONT OF THE FORMER'S BIRTHPLACE

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Calvin Coolidge

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GRACE GOODHUE COOLIDGE

GRACE ANNA GOODHUE was born in Burlington, Vermont, on January 3, 1879. She was educated in the public schools of Burlington and at the University of Vermont, from which she was graduated in 1902 with the degree of Ph. B. At college, she was very active in student activities, singing in the University Glee Club and winning applause in college theatricals, especially Shakespearean rôles. She was a member of Phi Beta Phi sorority. After graduation, she taught in a school for the deaf in Northampton, Massachusetts, where she met Calvin Coolidge, to whom she was married on October 4, 1905. Mrs. Coolidge continued her interest in education after marriage and personally investigated educational institutions in Washington while residing there as the wife of the Vice President of the United States. Washington found her entering with zest into social activities, especially dancing, ice-skating and the theatre, and thus serving as an admirable complement to her husband, inclined to be diffident toward formal social life.

CALVIN COOLIDGE

The thirtieth President of the United States of America was born, very appropriately, on July 4, 1872, on his father's farm nestled among the Vermont hills at Plymouth. He was the son of John C. and Victoria Moor Coolidge and the descendant of English settlers who had landed in Massachusetts not long after the arrival of the *Mayflower*. Calvin grew up on the farm, attending the village school and, later, the Black River Academy at Ludlow, Vermont, and the St. Johnsbury Academy. In 1895 he was graduated from Amherst College with honors and the degree of Bachelor of Arts.

After graduation from college Calvin Coolidge studied law in Northampton, Massachusetts, and was admitted to the bar in 1897, beginning the active practice of law in the same year. Almost at once he began his long career of holding public office. He became a councilman of Northampton in 1899, city solicitor in 1900 and 1901 and clerk of courts in 1904. In the same year he was made chairman of the Republican City Committee.

In 1905 he married Grace A. Goodhue, of Burlington, Vermont. They have two sons.

In 1907 Coolidge was elected to the state legislature of Massachusetts and was a member of the general court of the state for the term of 1907-8. He was twice elected mayor of Northampton, in 1910 and 1911, and in the following year was sent to the state senate, serving as its president in 1914 and 1915. In the next three years he was the lieutenant governor of Massachusetts and in 1919 and 1920 was elected and served as Governor.

It was while he was Governor of Massachusetts in 1919 that he sprang suddenly into national notice and approbation. In September of that year the police force of Boston, from a complex of causes, threatened to strike and finally carried that threat into action. To the demands of the policemen Governor Coolidge proved adamant, and successfully called in the national guard of the state to put down lawlessness in Boston and to act as policemen when the city awoke one morning to find itself deprived of its defenders of law and order. Coolidge's position in this crisis was proclaimed throughout the country as a successful blow against radicalism in America.

At the Republican National Convention in Chicago, Calvin Coolidge, who had received on all ballots several score votes for the Presidential nomination, was nominated for the Vice-Presidency on the first ballot and was elected to that office in the following November. On the death of President Harding he became President, the sixth Vice-President to succeed to the Presidency through the death of its incumbent. The oath of office was administered to Calvin Coolidge by his father, in the town where the President had been born, in the early hours of August 3, 1923.

STATEMENT

[Death of President Harding.]

PLYMOUTH, VERMONT, *August 3, 1923.*

Reports have reached me, which I fear are correct, that President Harding is gone. The world has lost a great and good man. I mourn his loss. He was my chief and my friend.

It will be my purpose to carry out the policies which he has begun for the service of the American people and for meeting their responsibilities wherever they may arise. For this purpose I shall seek the cooperation of all those who have been associated with the President during his term of office. Those who have given their efforts to assist him I wish to remain in office that they may assist me. I have faith that God will direct the destinies of our nation.

It is my intention to remain here until I can secure the correct form for the oath of office, which will be administered to me by my father, who is a notary public, if that will meet the necessary requirement. I expect to leave for Washington during the day. CALVIN COOLIDGE.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION

[Death of Honorable Warren Gamaliel Harding, President of the United States of America.]

THE WHITE HOUSE, *August 4, 1923.*

TO THE PEOPLE OF THE UNITED STATES:

In the inscrutable wisdom of Divine Providence, Warren Gamaliel Harding, twenty-ninth President of the United States, has been taken from us. The nation has lost a wise and enlightened statesman and the American people a true friend and counsellor whose whole public life was inspired with the desire to promote the best interests of the United States and the welfare of all its citizens. His private life was marked by gentleness and brotherly sympathy, and by the charm of his personality he made friends of all who came in contact with him.

It is meet that the deep grief which fills the hearts of the American people should find fitting expression.

Now, therefore, I, Calvin Coolidge, President of the United States of America, do appoint Friday next, August tenth, the day on which the body of the dead President will be laid in its last earthly resting place, as a day of mourning and prayer throughout the United States. I earnestly recommend the people to assemble on that day in their respective places of divine worship, there to bow down in submission to the will of Almighty God, and to pay out of full hearts the homage of love and reverence to the memory of the great and good President, whose death has so sorely smitten the nation.

In witness whereof I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington, the fourth day of August, in the year of our Lord, one thousand nine hundred and twenty-three, and of the independence of the United States the one hundred and forty-eighth.

[SEAL.]

CALVIN COOLIDGE.

By the President:

CHARLES E. HUGHES, *Secretary of State.*

STATE DEPARTMENT ANNOUNCEMENT

[Recognition of Mexican Government.]

August 31, 1923.

The Government of the United States and the Government of Mexico, in view of the reports and recommendations that their respective commissioners submitted as a result of the American-Mexican conferences held at the City of Mexico from May 14, 1923, to August 15, 1923, have resolved to renew diplomatic relations between them, and therefore, pending the appointment of Ambassadors, they are taking the necessary steps to accredit formally their respective chargés d'affaires.

STATEMENT

[Relief for Earthquake Victims in Japan.]

THE WHITE HOUSE, *September 3, 1923.*

To the People of the United States:

An overwhelming disaster has overtaken the people of the friendly nation of Japan. While its extent has not as yet been officially reported, enough is known to justify the statement that the cities of Tokio and Yokohama, and surrounding towns and villages, have been largely if not completely destroyed by earthquake, fire and flood, with a resultant appalling loss of life and destitution and distress, requiring measures of urgent relief.

Such assistance as is within the means of the Executive Department of the Government will be rendered; but realizing the great suffering which now needs relief and will need relief for days to come, I am prompted to appeal urgently to the American people, whose sympathies have always been so comprehensive, to contribute in aiding the unfortunate and in giving relief to the people of Japan.

In order that the utmost co-ordination and effectiveness in the administration of the relief funds be obtained, I recommend that all contributions, clearly designated, be sent to the Chairman of the American National Red Cross at Washington or to any of the local Red Cross chapters for transmission to Japan.

CALVIN COOLIDGE.

By the President:

WILLIAM PHILLIPS, *Acting Secretary of State.*

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

PROCLAMATIONS

[National Fire Prevention Day—1923.]

With the approach of October 9th, anniversary of the great Chicago fire, it is customary for the Chief Executive to direct attention each year to the enormous fire loss of the nation and to propose the observance of that date as National Fire Prevention Day. I am informed that the national fire loss for 1922 approximated fifteen thousand lives and somewhat more than five hundred million dollars. If this is correct or even approximately correct, it indicates that the 1922 fire waste was the largest since 1906, when the fearful San Francisco conflagration brought the total to above five hundred million dollars. The fact that, with all our improvement of methods in most directions, the fire loss continues to mount upward year by year, places a striking point of interrogation opposite our claims of high national efficiency. I am informed that in 1912, which was not an exceptional year, the per capita fire loss of the country was $2.16, and that in 1922 it was $4.67. The importance of every possible measure to reduce this loss is so apparent as to require no argument. The specialists in this subject agree that probably the greater part of the loss is due to human factors, such as carelessness and moral hazards; another large portion to poor construction, inefficient enforcement of building regulations, and the like. All of these are subject to correction through proper procedures, and it is highly desirable that public attention be directed to them and every encouragement given to measures for lessening the fire menace.

In view of these facts

Now, Therefore, I, Calvin Coolidge, President of the United States, designate Tuesday, October 9th, as National Fire Prevention Day, and recommend that it be observed in a manner most fitting. I particularly recommend the importance of educational effort through the schools, industrial establishments, and in the homes.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done in the City of Washington this seventeenth day of September, in the year of our Lord One Thousand Nine Hundred and Twenty-three, and of the Independence of the United States, the One Hundred and Forty-eighth.

[SEAL]

CALVIN COOLIDGE.

By the President:

WILLIAM PHILLIPS, *Acting Secretary of State.*

[National Education Week—1923.]

From its earliest beginnings, America has been devoted to the cause of education. This country was founded on the ideal of ministering to the individual. It was realized that this must be done by the institutions of religion and government. In order that there might be a properly educated clergy and well trained civil magistrates, one of the first thoughts of the early settlers was to provide for a college of liberal culture, while for the general diffusion of knowledge, primary schools were established. This course was taken as the necessary requirement of enlightened society.

Such a policy, once adopted, has continued to grow in extent. With the adoption of the Federal Constitution and the establishment of free governments in the states of the Union, there was additional reason for broadening the opportunity for education. Our country adopted the principle of self-government by a free people. Those who were worthy of being free, were worthy of being educated. Those who had the duty and responsibility of government, must necessarily have the education with which to discharge the obligations of citizenship. The sovereign had to be educated. The sovereign had become the people. Schools and universities were provided by the various governments, and founded and fostered by private charity, until their buildings dotted all the land.

The willingness of the people to bear the burdens of maintaining these institutions, and the patriotic devotion of an army of teachers, who, in many cases, might have earned larger incomes in other pursuits, have made it possible to accomplish results with which we may well be gratified. But the task is not finished, it has only been begun.

We have observed the evidences of a broadening vision of the whole educational system. This has included a recognition that education must not end with the period of school attendance, but must be given every encouragement thereafter. To this end the night schools of the cities, the moonlight schools of the southern Appalachian countries, the extension work of the colleges and universities, the provision for teaching technical, agricultural and mechanical arts, have marked out the path to a broader and more widely diffused national culture. To insure the permanence and continuing improvement of such an educational policy, there must be the fullest public realization of its absolute necessity. Every American citizen is entitled to a liberal education. Without this, there is no guarantee for the permanence of free institutions, no hope of perpetuating self-government. Despotism finds its chief support in ignorance. Knowledge and freedom go hand in hand.

In order that the people of the nation may think on these things, it is desirable that there should be an annual observance of Educational Week.

Now, therefore, I, Calvin Coolidge, President of the United States, do hereby proclaim the week beginning on the eighteenth of November, next, as National Education Week, and urge its observance throughout the country. I recommend that the state and local authorities coöperate with the civic and religious bodies to secure its most general and helpful observance, for the purpose of more liberally supporting and more effectively improving the educational facilities of our country.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done in the City of Washington, this twenty-sixth day of September, in the year of our Lord, One Thousand Nine Hundred and Twenty-three, and of the Independence of the United States, the One Hundred and Forty-eighth.

[SEAL]

CALVIN COOLIDGE.

By the President:

CHARLES E. HUGHES, *Secretary of State.*

[Carlsbad Cave National Monument.]

Whereas, there is located in section thirty-one, township twenty-four south, range twenty-five east, and section thirty-six, township twenty-four south, range twenty-four east of the New Mexico Principal Meridian, in southeastern New Mexico, near the town of Carlsbad, a limestone cavern known as the Carlsbad Cave, of extraordinary proportions and of unusual beauty and variety of natural decoration; and

Whereas, beyond the spacious chambers that have been explored, other vast chambers of unknown character and dimensions exist; and

Whereas, the several chambers contain stalactites, stalagmites, and other formations in such unusual number, size, beauty of form, and variety of figure as to make this a cavern equal, if not superior, in both scientific and popular interest to the better known caves; and

Whereas, it appears that the public interest would be promoted by reserving this natural wonder as a National Monument, together with as much land as may be needed for the protection not only of the known entrance, but such other entrances as may be found.

Now, Therefore, I, Calvin Coolidge, President of the United States of America, by authority of the power in me vested by section two of the act of Congress entitled, "An Act for the preservation of American antiquities," approved June eighth, nineteen hundred and six (34 Stat., 225) do proclaim that there is hereby reserved from all forms of appropriation under the public land laws, subject to all valid existing claims, and set apart as a National Monument to be known as the Carlsbad Cave National Monument all that piece or parcel of land in the County of Eddy, State of New Mexico, shown upon the diagram hereto annexed and made a part hereof, and more particularly described as follows: lots one and two, section thirty-one, township twenty-four south, range twenty-five east, and section thirty-six, township twenty-four south, range twenty-four east of the New Mexico Principal Meridian.

Warning is hereby expressly given to all unauthorized persons not to appropriate, injure, destroy or remove any feature of this Monument and not to locate or settle upon any of the lands thereof.

The Director of the National Park Service, under the direction of the Secretary of the Interior, shall have the supervision, management, and control of this Monument as provided in the act of Congress entitled, "An Act to establish a National Park Service and for other purposes," approved August twenty-fifth, nineteen hundred and sixteen (39 Stat., 535) and Acts additional thereto or amendatory thereof.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done in the City of Washington this 25th day of October in the year of our Lord One Thousand Nine Hundred and Twenty-three and of the Independence of the United States of America the One Hundred and Forty-eighth.

[SEAL]

CALVIN COOLIDGE.

By the President:

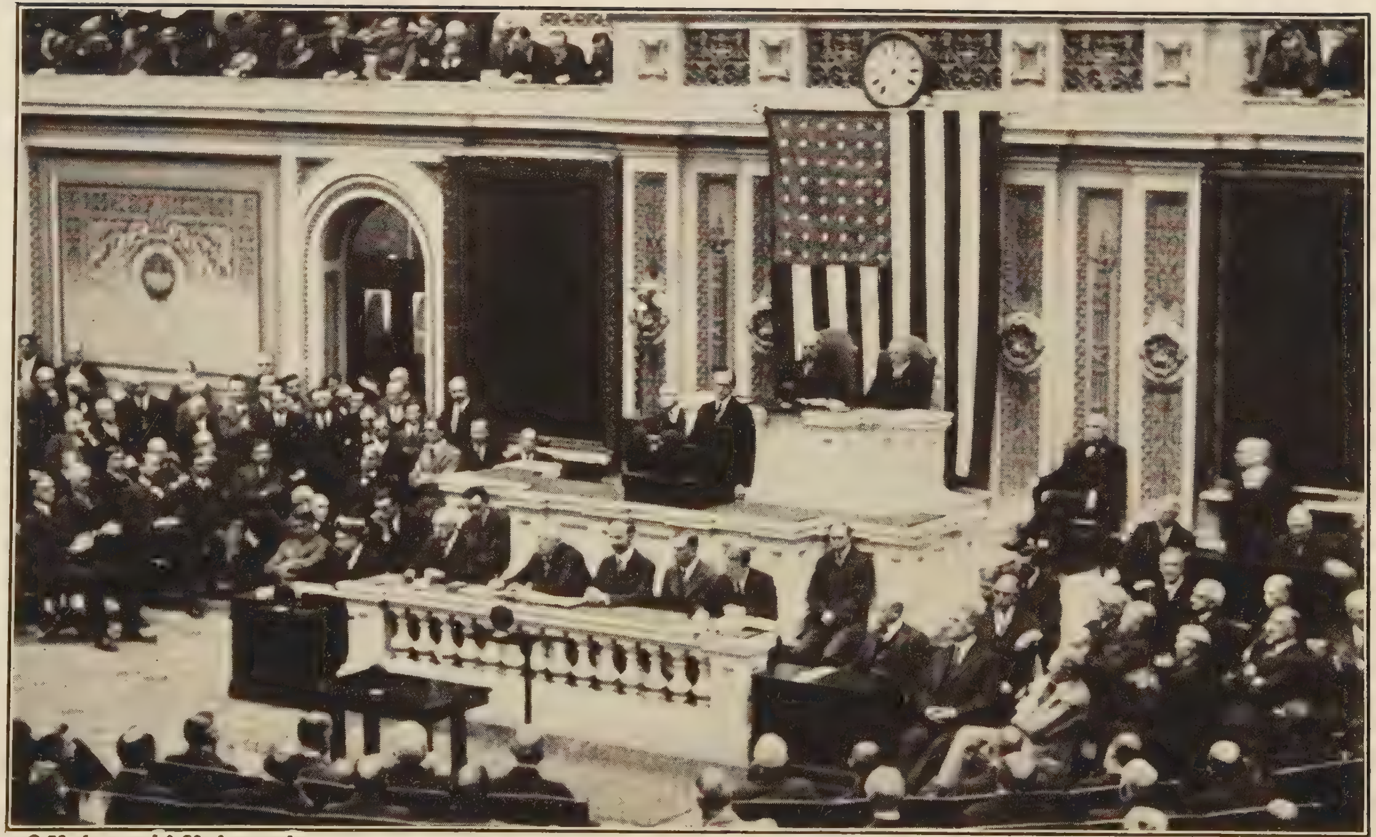
CHARLES E. HUGHES, *Secretary of State.*

[Thanksgiving—1923.]

The American people, from their earliest days, have observed the wise custom of acknowledging each year the bounty with which divine Providence has favored them. In the beginnings, this acknowledgment was a voluntary return of thanks by the community for the fruitfulness of the harvest. Though our mode of life has greatly changed, this custom has always survived. It has made Thanksgiving Day not only one of the oldest but one of the most characteristic observances of our country. On that day, in home and

PRESIDENT COOLIDGE ADDRESSING CONGRESS

Calvin Coolidge continued the practise, originated by Washington and John Adams, discontinued by Jefferson, resurrected by Wilson and followed by Harding, of addressing the Senate and the House of Representatives in person. The illustration shows him delivering his first annual address to a joint session of the Senate and the House, meeting in the latter's chamber. Behind the President sit (right) Speaker Gillette, of the House, and President pro tem. of the Senate Cummins, the latter in the place where Coolidge, himself, had sat as Vice-President while his predecessor addressed Congress.



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PRESIDENT COOLIDGE ADDRESSING CONGRESS

church, in family and in public gatherings, the whole nation has for generations paid the tribute due from grateful hearts for blessings bestowed.

To center our thought in this way upon the favor which we have been shown has been altogether wise and desirable. It has given opportunity justly to balance the good and the evil which we have experienced. In that we have never failed to find reasons for being grateful to God for a generous preponderance of the good. Even in the least propitious times, a broad contemplation of our whole position has never failed to disclose overwhelming reasons for thankfulness. Thus viewing our situation, we have found warrant for a more hopeful and confident attitude toward the future.

In this current year, we now approach the time which has been accepted by custom as most fitting for the calm survey of our estate and the return of thanks. We shall the more keenly realize our good fortune, if we will, in deep sincerity, give to it due thought, and more especially, if we will compare it with that of any other community in the world.

The year has brought to our people two tragic experiences which have deeply affected them. One was the death of our beloved President Harding, which has been mourned wherever there is a realization of the worth of high ideals, noble purpose and unselfish service carried even to the end of supreme sacrifice. His loss recalled the nation to a less captious and more charitable attitude. It sobered the whole thought of the country. A little later came the unparalleled disaster to the friendly people of Japan. This called forth from the people of the United States a demonstration of deep and humane feeling. It was wrought into the substance of good works. It created new evidences of our international friendship, which is a guarantee of world peace. It replenished the charitable impulse of the country.

By experiences, such as these, men and nations are tested and refined. We have been blessed with much of material prosperity. We shall be better able to appreciate it if we remember the privations others have suffered, and we shall be the more worthy of it if we use it for their relief. We will do well then to render thanks for the good that has come to us, and show by our actions that we have become stronger, wiser, and truer by the chastenings which have been imposed upon us. We will thus prepare ourselves for the part we must take in a world which forever needs the full measure of service. We have been a most favored people. We ought to be a most generous people. We have been a most blessed people. We ought to be a most thankful people.

Wherefore, I, Calvin Coolidge, President of the United States, do hereby fix and designate Thursday, the twenty-ninth day of November, as Thanksgiving Day, and recommend its general observance throughout the land. It is urged that the people, gathering in their homes and their usual places of worship, give expression to their gratitude for the benefits and blessings that a gracious Providence has bestowed upon them, and seek the guidance of Almighty God, that they may deserve a continuance of His favor.

In witness whereof, I have hereunto set my hand and caused to be affixed the great seal of the United States.

Done at the City of Washington, this 5th day of November, in the year of our Lord One Thousand Nine Hundred and Twenty-three, and of the Independence of the United States, the One Hundred and Forty-eighth.

[SEAL]

CALVIN COOLIDGE.

By the President:
CHARLES E. HUGHES, *Secretary of State.*

ADDRESS

[Conference of State Governors, Washington, D. C., October 20, 1923.]

It is my peculiar privilege to welcome you here as one who by experience can look at your problems with that sympathy which comes from common fellowships. The governorship of a sovereign state of our nation is an exalted position. It outranks, within its own jurisdiction, with a single exception, every other office in America. It is the very greatest honor that a state can bestow. A gathering of Governors has a significance greater than any other unofficial convocation that can be held in the United States.

It would only be a matter of large public importance that could justify a gathering of the chief executives of the states and the nation for a conference at Washington. You have been invited here that I might lay before you some of the problems for a better enforcement of law. A statement of the purpose is sufficient to indicate the importance, for a government which does not enforce its laws is unworthy of the name of government and cannot expect to hold either the support of its own citizens or the respect of the informed opinion of the world. That ours is a dual system of administration does not need to be explained in this presence. Joint powers and joint responsibilities exist which can best be exercised and discharged by joint action.

While certain classes of aliens, easily distinguishable, have been excluded from this country for a considerable length of time, a general policy of restricting immigration, broadly inclusive, has only recently been adopted. The new law admits approximately 350,000 aliens, or about one-third of the number coming in annually under the old law before the war. On the other hand, the number desiring to enter is now much larger, and attempts to evade the law have greatly increased. It is estimated by the Department of Labor that there is a seepage over the border and through the ports of about 100,000, which is a considerable menace to the success of our immigration policy. Such an influx of persons entering the country in violation of the law cannot fail to attract the attention of local police authorities along our borders and on our seacoasts, who can be of very great assistance in notifying the local representatives of the Department of Justice or the Department of Labor in order that such persons may the more readily be excluded and deported.

Another problem exists which is world-wide in some of its aspects. It is considered of such importance to our own welfare that special representatives of this country attended when the League of Nations recently considered the regulation of the opium traffic, where their efforts met with large success. The national laws and the laws of most of the states regulate the sale of narcotic drugs. Their use, except under the direction of competent medical advice, is everywhere regarded as attended with grave danger, usually resulting in lamentable disaster. The effective protection of the people from these results depends on our ability to prevent the smuggling and unlawful sale of such narcotics. Their use is, in part, perhaps due to physical disease, and, in part, to lack of moral stamina, but their abuse is almost wholly a result of violations of the law. If the law can be enforced, medical science would very soon rid the country of this menace. This traffic is carried on secretly and evasively. It can only be detected and eradicated through a system of local inspectors and police. The national Secret Service and enforcement officers can cope with the smugglers and the wholesalers, but the peddlers and retailers cannot successfully be suppressed without the assistance of state and municipal police.

The other problem, which I wish to lay before you, is that of intoxicating liquors. The Eighteenth Amendment was proposed by the Congress in 1917, and its ratification proclaimed in January, 1919. It prohibits the manufacture, sale or transportation, and the importation and exportation of intoxicating liquors for beverage purposes, and confers upon the Congress and the several states concurrent power to enact enforcement legislation. This power was exercised by the Congress in the National Prohibition Act, which was finally passed in October, 1919, two-thirds of the House of Representatives and Senate present having voted in the affirmative. Substantially all of the states have likewise passed enforcing acts under the authority of the Eighteenth Amendment. In all of the states there had long been laws regulating the sale of intoxicating liquors, and in many of the states prohibition had already been adopted.

Neither the amendment nor the Prohibition Act undertakes to relieve the states of their responsibility relative to intoxicating liquors, but, on the other hand, the amendment confers jurisdiction upon them, and the Prohibition Act authorizes state and local prosecuting attorneys to bring injunction proceedings in any court having equity powers, in the name of the United States. The National Prohibition Act places the duty of its enforcement on the Commissioner of Internal Revenue, his assistants, agents and inspectors. In accordance therewith there is an assistant commissioner in direct charge of prohibition enforcement and there are prohibition agents and inspectors in each state. Corresponding provisions will be found in nearly all state laws. The Constitution and the laws of the nation and of the several states are binding alike upon all the inhabitants. It is the Constitution which we have given our oaths to support—the Constitution which requires of the President that he shall take care that the laws be faithfully executed; and the state constitutions lay a similar obligation upon their governors. No provision of the Eighteenth Amendment, or the National Prohibition Act, contemplates any surrender of state responsibility. Under them prohibition becomes obligatory in all states, for the Constitution and the laws made in pursuance thereof are specifically declared by the federal Constitution to be the supreme law of the land. They are binding upon every inhabitant. But there still remains to the states the power, specifically reserved in the Eighteenth Amendment, to pass enforcing acts, and there is still on them a joint responsibility to enact and execute enforcement laws, which may not always be exercised, but which can never be avoided. The complementary duty to enforcement of the laws is obedience to the law. That rests with the people themselves. The Eighteenth Amendment prohibits manufacture, transportation, sale, export and import. These are the commercial activities. Trade in intoxicating liquors, for beverage purposes, is especially denounced. It is in this field that most of the difficulty exists. The main problem arises from those who are bent on making money by an illegal traffic in intoxicating liquors. If this could be eliminated, the rest would be easy.

The Constitution and the laws are perfectly plain and the directions which they contain to the President and the governors are equally plain. The country ought to know all this. It ought to understand just what duties the laws have imposed. It ought to comprehend that when laws have been made there is, and can be, no question about the duty of executives to enforce them with such instruments and by such means as the law provides for securing enforcement. They have no alternative. They cannot be criticised for doing their duty.

This is not a political question; it cannot be made a political question. If there be any principle which has been established by time, by common consent, by the unqualified assertion of fundamental and statute law, it is that executives are the law-enforcing officers of this nation. If this were not so there would be no warrant for the present gathering. I can conceive but one opinion on this, in which every responsible element must concur.

These problems must be taken directly to the American people. This Government is their Government; these laws are their laws. They have formed their Government and enacted their laws, with all due solemnity, to promote their welfare and protect their liberties. They are not a nation of inebriates; they are not a people who can be charged with being hypocrites. They have no patience with anarchy. They are a sober, frank and candid people. They have respect and reverence for duly constituted authority. To them the law is a rule of action. The fundamental national characteristics are not going to be changed. These fundamental conceptions are going to remain permanent.

The great body of the people are thoroughly law-abiding. This great law-abiding element of the nation is entitled to support and protection. I propose to give that support and protection to the limit, provided by the Constitution and the law of the land, against every lawless element. The executives are required to enforce the law. The machinery for the enforcement of the law is that supplied by the acts of Congress and the acts of the state legislatures. That machinery must be used to the full extent of its capacity to secure the enforcement of the law. It is certainly my own purpose so to use it. The people are going to continue to yield obedience to the law. This principle will continue to prevail, whenever the American people shall pass judgment upon it, because it is the foundation of all their institutions.

We can only make progress with these problems by their frank and candid consideration. They are not going to be decided by prejudice. They are not going to be answered as a result of political intrigue. They are not going to be determined by extremists on either side. They are not going to be solved in accordance with any sordid motive. They will yield to the calm and clear judgment of the American people, through a determined expression of their high moral purpose. The law represents the voice of the people. Behind it, and supporting it, is a divine sanction. Enforcement of law and obedience to law, by the very nature of our institutions, are not matters of choice in this republic, but the expression of a moral requirement of living in accordance with the truth. They are clothed with a spiritual significance, in which is revealed the life or death of the American ideal of self-government.

ARMISTICE DAY STATEMENT, 1923

November 11 will be the fifth anniversary of the signing of the armistice which ended the World War. The nations have not yet recovered from that great catastrophe, nor will they recover for some time to come. But a great deal of progress has been made in that direction. Most of the millions of soldiers have been returned into their civilian occupations, and commerce and industry are tending toward their pre-war conditions. The lapse of time has mellowed the resentments which arose out of the war and has healed many of the wounds that such a struggle was bound to make. It is greatly to be hoped that we are on the threshold of a new era. The Washington Conference, resulting in the first practical limitation of armaments among the nations of the earth, did much to promote peace and good will. In our own country rigid economy has brought our expenditures within our income and brought about a reduction in war debts. Our country will remember with gratitude on that day those who served it with such distinction, and renew its resolve to continue to meet its obligations to those who suffered injury from their service. But for their action, so patriotically performed, Armistice Day would have had quite another meaning for us and for the world. It will not fail, either, to pay the reverence due to the memory of those who did not see the end, but died that the end might come. It is well, also, to recall just what this day meant. It meant the end of a war. It ought to mean the permanent return of a peace which can only be established through good-will and only enjoyed in security when it rests on justice. If there is to be peace on earth, it will be because between nations there is justice on earth. CALVIN COOLIDGE.

BUDGET MESSAGE

THE WHITE HOUSE, *December 3, 1923.*

TO THE CONGRESS OF THE UNITED STATES:

I transmit herewith the Budget of the United States for the fiscal year ending June 30, 1925. In making this submission it is felt that the present is a peculiarly appropriate time briefly to review the fiscal experience of the country since the beginning of the World War.

The beginning of the war marked also the beginning of a period of unprecedented and unexampled public expenditure not only by our own but by well-nigh all the nations of the world. The great weight of the fiscal burden that our own country has borne since our entrance into the war is suggested by the statement that our part in the great conflict cost the nation roundly forty billions of dollars. While the war was in progress, by dint of the patriotic willingness of the people to pay heavy taxes, it was possible to meet from current revenues about twenty-five per cent of the war costs. This in itself was a remarkable accomplishment—I believe without parallel in any of the other warring countries.

The public debt at the beginning of the war amounted to about a billion dollars. At the close of August, 1919, it reached its highest point, approximately $26,500,000,000. From that point it has since been reduced until it now totals about $22,000,000,000.

The American people have given a truly magnificent demonstration of patience and patriotism during the years in which they have borne this burden. In less than seven years, to put the matter very briefly, we have spent forty billion dollars and we have paid off from current revenues eighteen billion dollars, or nearly half of the amount. Certainly the nation, which has thus patiently persisted in meeting the enormous burden of governmental costs, is entitled at the earliest possible moment to the largest measure of relief from these burdens that can possibly be accorded. I am convinced that the time has now come to extend this relief through a substantial reduction of taxation, and the fiscal program, which is crystallized in the budget estimates which are herewith transmitted to the Congress, is based on this purpose.

We are all familiar with the fact that the larger part of the tax burden arises not from the exactions of the federal Government but from the governmental costs of the states and municipalities. President Harding, in his address on taxation and government costs at Salt Lake City last June, pointed out that for the year 1922 approximately sixty per cent of all taxes collected throughout the nation were for the states, cities, and local taxing bodies. It is therefore highly desirable that an example of determined and insistent economy be set by the federal Government for the sake of its influence upon every body which possesses the authority to levy taxes. I am firmly persuaded that if the national Government will reduce its expenditures and its levies under the program which is presented to you herewith, it will have a highly salutary effect in inducing greater economies in all other departments of public taxation. A definite recommendation for tax reduction is made later in this message.

The budget transmitted herewith is summarized in the following statement:

BUDGET SUMMARY

[Exclusive of postal revenues and postal expenditures paid from postal revenues.]

	Estimated, 1925.	Estimated, 1924.	Actual, 1923.
Total receipts..................	$3,693,762,078	$3,894,677,712	$4,007,135,480
Total expenditures (including reduction of the public debt required by law to be made from ordinary receipts).......	3,298,080,444	3,565,038,088	3,697,478,020
Excess of receipts........	$395,681,634	$329,639,624	$309,657,460

In the Budget for the fiscal year ending June 30, 1924, transmitted to Congress December 4, 1922, the estimated receipts for the fiscal year 1923 were $3,429,862,959, and the estimated expenditures $3,703,801,671, thus forecasting an apparent excess of expenditures over receipts of $273,938,712. President Harding, in referring to this estimated deficiency, said:

> I am hopeful, however, that the condition on which this estimate is predicated will change for the better in the ensuing months of the fiscal year and that the close of the year will show a balanced budget.

This hope was justified. At the close of business June 30, 1923, the actual receipts for the year were $4,007,135,480, and the actual expenditures $3,697,478,020, an excess of receipts over expenditures of $309,657,460. This fortunate transition from an apparent deficit to a large surplus, while greatly aided by an unexpected increase in receipts, was due in no small measure to the efforts of the individual departments and establishments of the Government and to the spirit of coöperation shown by them in carrying out the economy policies of the President.

The estimates made at the time of the presentation of the Budget in December, 1922, indicated that for 1924 the receipts would be $3,361,812,359 and the expenditures $3,180,843,234, making an excess of receipts over expenditures of $180,969,125. The revised estimates recently made indicate that the receipts for the current year will be $3,894,677,712 and the expenditures $3,565,038,088, making an excess of receipts over expenditures of $329,639,624.

For the fiscal year 1925 it is estimated that the total ordinary receipts from all sources, excluding the Postal Service, will be $3,693,762,078. This is $313,373,402 less than the actual receipts for 1923 and $200,915,634 less than the estimated receipts for 1924.

The expenditures during the fiscal year 1923 were $3,697,478,020 compared with $3,795,302,499 for 1922, a reduction of more than $97,000,000. Included in the 1923 expenditures, however, were certain items appearing also among the receipts for the purposes of clearness in accounting. To get an accurate comparison between the expenditures for the two years, it is necessary to deduct the sum of these items from the gross expenditures of 1923, which are reduced to $3,532,269,266.32. This shows a reduction of approximately $263,000,000 below the expenditures for 1922.

It is estimated that the expenditures for 1924 will be $3,565,038,088, which is $132,439,932 less than the expenditures for 1923.

The estimate of expenditures for 1925 is $3,298,080,444, which is $266,957,644 less than the estimated expenditures for 1924. By expenditures for 1925 is meant the amount it is estimated will be withdrawn from the Treasury during the year ending June 30, 1925.

This is to be distinguished from the estimate of appropriations for the same year. Withdrawals during the fiscal year will be from funds heretofore appropriated as well as from appropriations recommended in the Budget. Furthermore, a portion of the money to be appropriated for 1925 will not be withdrawn from the Treasury until after the close of that fiscal year.

The foregoing does not include expenditures for the Postal Service and the Post Office Department payable from postal revenues. Such expenditures for the fiscal year 1923 were $570,823,232. A deficiency of $32,526,915, payable from ordinary receipts, is included in the ordinary expenditures hereinbefore mentioned. The estimated expenditures from postal revenues during 1924 are $593,309,673. An estimated deficiency of $24,679,673 is included in the estimated ordinary expenditures for 1924. The estimated expenditures from postal revenues for 1925 are $613,295,184. It is estimated that the postal expenditures for that year will exceed postal revenues by $2,085,184.

This brings us to the estimates of appropriations contained in this Budget. The executive instructions governing the preparation of these estimates called for a substantial reduction as compared with the appropriations for 1924. This was essential to a continuation of the policy of strict and drastic economy. That is the Administration's undebatable policy. It has been adhered to unswervingly in the past and we shall hew to the line in the future.

The estimates of appropriations appearing in this Budget for 1925, exclusive of the estimate for the Post Office Department, amount to $3,018,069,946.06, which is $260,365,022.56 less than the appropriations for 1924.

I give below a comparative statement of the estimates of appropriations for 1925 and the appropriations for 1924.

[See table on following page.]

The estimates of appropriations for the Department of Justice show an increase of something more than $2,000,000 above the estimates contained in the Budget for 1924. Probably to a much greater extent than any other executive department, the Department of Justice involves activities which are not subject to administrative control as regards expenditures. Due to this condition the practice for a great many years has been to present estimates of appropriations for the Department of Justice which were known to be less than the amount which would eventually be required for the service of the fiscal year to which they pertained and to follow these annual estimates with supplemental estimates when the fiscal year was well under way and the needs could be more accurately determined. This practice was known to

Comparative statement of estimates of appropriations for 1925 and appropriations for 1924

	Estimates of appropriations, 1925.	Appropriations, 1924.
Legislative establishment	$13,783,836.25	$14,416,911.60
Executive Office	397,847.50	445,770.00
Independent offices:		
Civil Service Commission	949,116.00	990,895.00
Employees' Compensation Commission	2,656,260.00	2,450,500.00
Federal Board for Vocational Education	6,380,000.00	6,427,000.00
Federal Trade Commission	950,000.00	1,010,000.00
General Accounting Office	3,724,612.00	3,870,801.00
Housing Corporation	808,100.00	920,450.00
Interstate Commerce Commission	4,262,284.00	5,203,860.00
Shipping Board and Emergency Fleet Corporation	30,344,000.00	50,411,500.00
State, War, and Navy Department Buildings	2,306,215.00	2,412,124.00
Tariff Commission	681,980.00	742,000.00
United States Veterans' Bureau	349,065,000.00	431,514,053.00
Other independent offices	2,656,018.45	1,931,350.74
Department of Agriculture	69,590,575.00	85,061,453.00
Department of Commerce	24,048,025.00	21,145,957.00
Department of the Interior	299,312,600.06	325,872,078.00
Department of Justice	21,378,456.00	19,253,506.00
Department of Labor	6,702,576.51	7,476,896.00
Navy Department	278,499,054.00	297,097,250.00
Post Office Department, payable from the Treasury	....	11,520.00
State Department	14,988,446.29	15,306,665.50
Treasury Department	148,986,065.00	157,214,895.78
War Department, including Panama Canal	336,441,092.00	349,192,582.00
District of Columbia	26,879,812.00	26,086,825.00
Ordinary	$1,645,791,971.06	$1,826,466,843.62
Reduction in principal of the public debt:		
Sinking fund	310,000,000.00	297,144,300.00
Purchase of Liberty bonds from foreign repayments	....	37,854,500.00
Redemption of bonds and notes from estate taxes	6,000,000.00	10,000,000.00
Redemption of securities from Federal reserve bank franchise tax receipts	6,000,000.00	6,000,000.00
Redemption of bonds, etc., received as repayments of principal and as interest payments on obligations of foreign Governments	160,277,975.00	160,969,325.00
Principal of the public debt	482,277,975.00	511,968,125.00
Interest on the public debt	890,000,000.00	940,000,000.00
Total payable from the Treasury	$3,018,069,946.06	$3,278,434,968.62
Post Office Department and Postal Service, payable from postal revenues	613,093,183.50	585,210,239.50
Total, including Post Office Department and Postal Service	$3,631,163,129.56	$3,863,645,208.12

and sanctioned by Congress. The estimates for the fiscal year 1925 are in an amount which it is believed will cover in full the requirements of the Department of Justice for that fiscal year. This change in practice operates to increase the Budget something more than $2,000,000 over what the total of the Budget estimates would be if the old practice had been continued, but it presents a truer picture of the estimated requirements of this department which is in accord with the principles of proper budgeting.

The estimate for the Department of Commerce includes $3,500,000 for the decennial Census of Agriculture, required by act of Congress approved March 3, 1919.

For prohibition enforcement the Congress has appropriated for the current fiscal year ending June 30, 1924, an amount which provides an executive unit of 700, directorates for the several states, and a field force of 1,522. A considerably enlarged field force should be provided for prohibition enforcement, and to meet this requirement the estimates of appropriations for the prohibition unit for the fiscal year 1925 are something more than $1,600,000 in excess of appropriations for the current fiscal year. In my annual message I am presenting to Congress the need for a material increase in the personnel and equipment of the United States Coast Guard for the purpose of combating more thoroughly rum-running and unlawful importations. I mention this here for the reason that I will shortly present to Congress a supplemental estimate of appropriations for the Coast Guard of approximately $20,000,000, mainly for additional vessels and boats, for the current fiscal year which, if granted, will be followed by a request for a further appropriation of approximately $6,000,000 for the coming fiscal year.

The estimates of appropriations contained in the Budget include amounts to cover the classification of civilian positions within the District of Columbia as required by the act of Congress approved March 4, 1923. The amounts involved in the classification are also reflected in the estimates of expenditures contained in the Budget. The Budget contains a statement giving a detailed summary and comparison of the Budget estimates of appropriations with the expenditures for 1924 as regards the personnel of the departments and establishments in the District of Columbia.

The gross public debt, which on June 30, 1922, was $22,963,381,708.31, on June 30, 1923, was $22,349,707,365.36, a reduction of $613,674,342.95 during 1923. The total of this reduction was made up first, in the amount of $402,850,491.10, through the cumulative sinking fund and other public debt expenditures payable from certain specific receipts; and second, in the amount of $210,823,851.85, from the surplus of $309,657,460.30 of ordinary receipts over expenditures for the year. The balance of this surplus, $98,833,608.45, was added to the net balance in the general fund of the Treasury, which was thus increased from $272,105,512.63 at the commencement of the year, to $370,939,121.08 at the end of the year.

During the next five years there mature $4,000,000,000 of Treasury notes and about $3,400,000,000 of Third Liberty bonds, a total of $7,400,000,000. The ordinary sinking fund will take care of about $1,600,000,000 in the five years, leaving between $5,000,000,000 and $6,000,000,000 of Government securities to be refunded.

The debt agreement with the British Government, concluded on June 19, 1923, involves a payment of approximately $160,000,000, principal and interest, each year, and in accordance with the terms of the agreement, these payments may be made in bonds of the United States issued since April 6, 1917. Such bonds, when so used in payment, are canceled and retired, but this is not likely to affect the earlier maturing debt referred to above, because the bonds tendered in payment by the British Government will probably be those of longer term which are now lower in price. If future adjustments are made with other foreign Governments, the United States debt may be affected, but for some years to come the principal reliance on debt reduction must be the sinking fund, and the specific receipts referred to above.

The fiscal year 1923 was closed with a surplus of more than three hundred million dollars. For 1924 the forecast is that the ordinary receipts will exceed the expenditures chargeable thereto, including our fixed-debt charges, by $329,000,000. The surplus for the next fiscal year, 1925, under present revenue laws, is estimated at $395,000,000. Joint executive and legislative action has demonstrated what united effort can do toward reducing expenditures, and the results certainly justify the view that we can stand a reduction in our ordinary receipts and still achieve a balanced Budget. This, of course, will be possible only if the present pressure and coördinated effort for economy in our public expenditures be continued without relaxation and there be no embarkation upon any extraordinary expenditure program. I have in mind that the taxpayers are the stockholders of the business corporation of the United States and that if this business is showing a surplus of receipts, the taxpayers should share therein in some material way that will be of immediate benefit.

Having in mind that the Budget and Accounting Act, 1921, contemplates that the chief executive, under the fortunate situation in which we now find ourselves, shall make such recommendations as in his opinion the public interests require, I recommend a revision of tax laws along lines which will effect a reduction of income taxes by taxing earned income more lightly than income from business or from investments; by reducing the percentages of the normal tax, and by reducing the surtax rates, with commencement of their application at $10,000 instead of $6,000. I also recommend repeal of the tax on telegrams, telephones, and leased wires, and of the tax on admissions, and revision of the miscellaneous taxes which are a source of inconvenience to taxpayers, and difficult to collect. On the other hand, amendments which would cause some increase of revenue should also be made to existing income tax laws relative to deductions of capital losses; deductions from gross income for interest paid and non-business losses sustained, where income from tax-exempt securities is involved; and the manner of taxing community incomes. These changes would reduce taxes by more than $300,000,000, which is safely within the probable surplus.

It would not take much, however, to exhaust this margin, and any program of new expenditure on a large scale would make tax reduction impossible for years to come.

I know of nothing which will give the people of this nation greater assurance that we are unalterably committed to a campaign of economy in public expenditure than a reduction of our present taxation. It will take from the realm of debate plans which contemplate extravagant expenditures or expansions of the business of Government beyond those necessary to keep pace with a growing nation and fix as the measure of our requirements an amount which will represent what is actually necessary to carry on efficiently the proper business and functions of Government and meet our fixed debt charges payable out of current revenue. It would certainly tend to align the whole people in support of economical administration of Government, and I frankly state that such an alignment is becoming every day more and more necessary because of the influence which it will have upon the States and the other lesser subdivisions of our body politic.

In stating that a reduction in taxation carries with it an obligation not to embark upon an extraordinary expenditure program, I am not unmindful of the demand for adjusted compensation for soldiers of the World War, which would include among its beneficiaries the able-bodied of our veterans as well as the disabled. I question if there is any sound reason for such a measure. The country is prosperous, and remunerative employment is available for the able-bodied veterans as well as for other citizens. For the disabled veterans of the war, and the dependents of those who fell, the country can not do too much. It has already spent nearly two billions of dollars and is now spending nearly half a billion dollars yearly in their behalf. That obligation it must and will continue to fulfill in fullest measure, and it is one of the most important of the duties and privileges of the chief executive to minister to the wants and needs of these wards and creditors of the nation. But the fit and able-bodied veterans are offered the opportunities open to every other citizen. The Government has no money to distribute to any class of its citizens that it does not take from the pockets of the people, and the payment of a bonus to millions of our former soldiers could only be accomplished at a cost to the whole community, including the veterans themselves, far outweighing the benefits intended to be conferred. If I felt that a soldiers' bonus represented a great need and a proper obligation which should be fulfilled by this nation, I certainly would not make a recommendation which would be adverse thereto.

We have now reached a point in our financial program where we can lighten the tax burden of the people, which is an added reason for taking a firm stand against any and all programs of spending that would tend to absorb the expected margin between receipts and expenditures.

I also recommend the enactment of legislation which will authorize a reasonable progressive building program to meet the needs of the executive departments and establishments of the Government in the District of Columbia. All of the permanent and semi-permanent buildings are more or less crowded, with an overflow which of necessity is housed in temporary buildings erected during the period of the late emergency. A program authorizing an expenditure of not exceeding $5,000,000 annually for a period of years would operate to gradually relieve the existing unfortunate situation and in the course of time give adequate accommodations to the departments and establishments.

CALVIN COOLIDGE.

FIRST ANNUAL ADDRESS TO CONGRESS

[Delivered at a Joint Session, December 6, 1923.]

Since the close of the last Congress the nation has lost President Harding. The world knew his kindness and his humanity, his greatness and his character. He has left his mark upon history. He has made justice more certain and peace more secure. The surpassing tribute paid to his memory, as he was borne across the continent to rest at last at home, revealed the place he held in the hearts of the American people. But this is not the occasion for extended reference to the man or his work. In this presence, among those who knew and loved him, that is unnecessary. But we who were associated with him could not resume together the functions of our office without pausing for a moment, and in his memory reconsecrating ourselves to the service of our country. He is gone. We remain. It is our duty, under the inspiration of his example, to take up the burdens which he was permitted to lay down, and to develop and support the wise principles of government which he represented.

FOREIGN AFFAIRS.

For us peace reigns everywhere. We desire to perpetuate it always by granting full justice to others and requiring of others full justice to ourselves.

Our country has one cardinal principle to maintain in its foreign policy. It is an American principle. It must be an American policy. We attend to our own affairs, conserve our own strength, and protect the interests of our own citizens; but we recognize thoroughly our obligation to help others, reserving to the decision of our own judgment the time, the place, and the method. We realize the common bond of humanity. We know the inescapable law of service.

Our country has definitely refused to adopt and ratify the covenant of the League of Nations. We have not felt warranted in assuming the responsibilities which its members have assumed. I am not proposing any change in this policy; neither is the Senate. The incident, so far as we are concerned, is closed. The League exists as a foreign agency. We hope it will be helpful. But the United States sees no reason to limit its own freedom and independence of action by joining it. We shall do well to recognize this basic fact in all national affairs and govern ourselves accordingly.

WORLD COURT.

Our foreign policy has always been guided by two principles. The one is the avoidance of permanent political alliances which would sacrifice our proper independence. The other is the peaceful settlement of controversies between nations. By example and by treaty we have advocated arbitration. For nearly twenty-five years we have been a member of the Hague Tribunal, and have long sought the creation of a permanent world court of justice. I am in full accord with both of these policies. I favor the establishment of such a court intended to include the whole world. That is, and has long been, an American policy.

Pending before the Senate is a proposal that this Government give its support to the Permanent Court of International Justice, which is a new and somewhat different plan. This is not a partisan question. It should not assume an artificial importance. The court is merely a convenient instrument of adjustment to which we could go, but to which we could not be brought. It should be discussed with entire candor, not by a political but by a judicial method, without pressure and without prejudice. Partisanship has no place in our foreign relations. As I wish to see a court established, and as the proposal presents the only practical plan on which many nations have ever agreed, though it may not meet every desire, I therefore commend it to the favorable consideration of the Senate, with the proposed reservations clearly indicating our refusal to adhere to the League of Nations.

RUSSIA.

Our diplomatic relations, lately so largely interrupted, are now being resumed, but Russia presents notable difficulties. We have every desire to see that great people, who are our traditional friends, restored to their position among the nations of the earth. We have relieved their pitiable destitution with an enormous charity. Our Government offers no objection to the carrying on of commerce by our citizens with the people of Russia. Our Government does not propose, however, to enter into relations with another régime which refuses to recognize the sanctity of international obligations. I do not propose to barter away for the privilege of trade any of the cherished rights of humanity. I do not propose to make merchandise of any American principles. These rights and principles must go wherever the sanctions of our Government go.

But while the favor of America is not for sale, I am willing to make very large concessions for the purpose of rescuing the people of Russia. Already encouraging evidences of returning to the ancient ways of society can be detected. But more are needed. Whenever there appears any disposition to compensate our citizens who were despoiled, and to recognize that debt contracted with our Government, not by the Czar, but by the newly formed Republic of Russia; whenever the active spirit of enmity to our institutions is abated; whenever there appear works meet for repentance; our country ought to be the first to go to the economic and moral rescue of Russia. We have every desire to help and no desire to injure. We hope the time is near at hand when we can act.

DEBTS.

The current debt and interest due from foreign Governments, exclusive of the British debt of $4,600,000,000, is about $7,200,000,000. I do not favor the cancellation of this debt, but I see no objection to adjusting it in accordance with the principle adopted for the British debt. Our country would not wish to assume the rôle of an oppressive creditor, but would maintain the principle that financial obligations between nations are likewise moral obligations which international faith and honor require should be discharged.

Our Government has a liquidated claim against Germany for the expense of the Army of Occupation of over $255,000,000. Besides this, the Mixed Claims Commission have before them about 12,500 claims of American citizens, aggregating about $1,225,000,000. These claims have already been reduced by a recent decision, but there are valid claims reaching well toward $500,000,000. Our thousands of citizens with credits due them of hundreds of millions of dollars have no redress save in the action of our Government. These are very substantial interests, which it is the duty of our Government to protect as best it can. That course I propose to pursue.

It is for these reasons that we have a direct interest in the economic recovery of Europe. They are enlarged by our desire for the stability of civilization and the welfare of humanity. That we are making sacrifices to that end none can deny. Our deferred interest alone amounts to a million dollars every day. But recently we offered to aid with our advice and counsel. We have reiterated our desire to see France paid and Germany revived. We have proposed disarmament. We have earnestly sought to compose differences and restore peace. We shall persevere in well-doing, not by force, but by reason.

Under the law the papers pertaining to foreign relations to be printed are transmitted as a part of this message. Other volumes of these papers will follow.

The foreign service of our Government needs to be reorganized and improved.

FISCAL CONDITIONS.

Our main problems are domestic problems. Financial stability is the first requisite of sound government. We can not escape the effect of world conditions. We can not avoid the inevitable results of the economic disorders which have reached all nations. But we shall diminish their harm to us in proportion as we continue to restore our Government finances to a secure and endurable position. This we can and must do. Upon that firm foundation rests the only hope of progress and prosperity. From that source must come relief for the people.

This is being accomplished by a drastic but orderly retrenchment, which is bringing our expenses within our means. The origin of this has been the determination of the American people, the main support has been the courage of those in authority, and the effective method has been the budget system. The result has involved real sacrifice by department heads, but it has been made without flinching. This system is a law of the Congress. It represents your will. It must be maintained, and ought to be strengthened by the example of your observance. Without a budget system there can be no fixed responsibility and no constructive scientific economy.

This great concentration of effort by the administration and Congress has brought the expenditures, exclusive of the self-supporting Post-Office Department, down to three billion dollars. It is possible, in consequence, to make a large reduction in the taxes of the people, which is the sole object of all curtailment. This is treated at greater length in the Budget Message, and a proposed plan has been presented in detail in a statement by the Secretary of the Treasury which has my unqualified approval. I especially commend a decrease on earned incomes, and further abolition of admission, message, and nuisance taxes. The amusement and educational value of moving pictures ought not to be taxed. Diminishing charges against moderate incomes from investment will afford immense relief, while a revision of the surtaxes will not only provide additional money for capital investment, thus stimulating industry and employing more labor, but will not greatly reduce the revenue from that source, and may in the future actually increase it.

Being opposed to war taxes in time of peace, I am not in favor of excess-profits taxes. A very great service could be rendered through immediate enactment of legislation relieving the people of some of the burden of taxation. To reduce war taxes is to give every home a better chance.

For seven years the people have borne with uncomplaining courage the tremendous burden of national and local taxation. These must both be reduced. The taxes of the nation must be reduced now as much as prudence will permit, and expenditures must be reduced accordingly. High taxes reach everywhere and burden everybody. They bear most heavily upon the poor. They diminish industry and commerce. They make agriculture unprofitable. They increase the rates on transportation. They are a charge on every necessary of life. Of all services which the Congress can render to the country, I have no hesitation in declaring this one to be paramount. To neglect it, to postpone it, to obstruct it by unsound proposals, is to become unworthy of public confidence and untrue to public trust. The country wants this measure to have the right of way over all others.

Another reform which is urgent in our fiscal system is the abolition of the right to issue tax-exempt securities. The existing system not only permits a large amount of the wealth of the nation to escape its just burden but acts as a continual stimulant to municipal extravagance. This should be prohibited by constitutional amendment. All the wealth of the nation ought to contribute its fair share to the expenses of the nation.

TARIFF LAW.

The present tariff law has accomplished its two main objects. It has secured an abundant revenue and been productive of an abounding prosperity.. Under it the country has had a very large export and import trade. A constant revision of the tariff by the Congress is disturbing and harmful. The present law contains an elastic provision authorizing the President to increase or decrease present schedules not in excess of fifty per centum to meet the difference in cost of production at home and abroad.. This does not, to my mind, warrant a rewriting of the whole law, but does mean, and will be so administered, that whenever the required investigation shows that inequalities of sufficient importance exist in any schedule, the power to change them should and will be applied.

SHIPPING.

The entire well-being of our country is dependent upon transportation by sea and land. Our Government during the war acquired a large merchant fleet which should be transferred, as soon as possible, to private ownership and operation under conditions which would secure two results: First, and of prime importance, adequate means for national defense; secondly, adequate service to American commerce. Until shipping conditions are such that our fleet can be disposed of advantageously under these conditions, it will be operated as economically as possible under such plans as may be devised from time to time by the Shipping Board. We must have a merchant marine which meets these requirements, and we shall have to pay the cost of its service.

PUBLIC IMPROVEMENTS.

The time has come to resume in a moderate way the opening of our intracoastal waterways; the control of flood waters of the Mississippi and of the Colorado Rivers; the improvement of the waterways from the Great Lakes toward the Gulf of Mexico; and the development of the great power and navigation project of the St. Lawrence River, for which efforts are now being made to secure the necessary treaty with Canada. These projects can not all be undertaken at once, but all should have the immediate consideration of the Congress and be adopted as fast as plans can be matured and the necessary funds become available. This is not incompatible with economy, for their nature does not require so much a public expenditure as a capital investment which will be reproductive, as evidenced by the marked increase in revenue from the Panama Canal. Upon these projects depends much future industrial and agricultural progress. They represent the protection of large areas from flood and the addition of a great amount of cheap power and cheap freight by use of navigation, chief of which is the bringing of ocean-going ships to the Great Lakes.

Another problem of allied character is the superpower development of the northeastern states, consideration of which is proceeding under the direction of the Department of Commerce by joint conference with the local authorities.

RAILROADS.

Criticism of the Railroad Law has been directed, first, to the section laying down the rule by which rates are fixed, and providing for payment to the Government and use of excess earnings; secondly, to the method for the adjustment of wage scales; and thirdly, to the authority permitting consolidations.

It has been erroneously assumed that the act undertakes to guarantee railroad earnings. The law requires that rates should be just and reasonable. That has always been the rule under which rates have been fixed. To make a rate that does not yield a fair return results in confiscation, and confiscatory rates are of course unconstitutional. Unless the Government adheres to the rule of making a rate that will yield a fair return, it must abandon rate making altogether. The new and important feature of that part of the law is the recapture and redistribution of excess rates. The constitutionality of this method is now before the Supreme Court for adjudication. Their decision should be awaited before attempting further legislation on this subject. Futhermore, the importance of this feature will not be great if consolidation goes into effect.

The settlement of railroad labor disputes is a matter of grave public concern. The Labor Board was established to protect the public in the enjoyment of continuous service by attempting to insure justice between the companies and their employees. It has been a great help, but is not altogether satisfactory to the public, the employees, or the companies. If a substantial agreement can be reached among the groups interested, there should be no hesitation in enacting such agreement into law. If it is not reached, the Labor Board may very well be left for the present to protect the public welfare.

The law for consolidations is not sufficiently effective to be expeditious. Additional legislation is needed giving authority for voluntary consolidations, both regional and route, and providing Government machinery to aid and stimulate such action, always subject to the approval of the Interstate Commerce Commission. This should authorize the Commission to appoint committees for each proposed group, representing the public and the component roads, with power to negotiate with individual security holders for an exchange of their securities for those of the consolidation on such terms and conditions as the commission may prescribe for avoiding any confiscation and preserving fair values. Should this permissive consolidation prove ineffective after a limited period, the authority of the Government will have to be directly invoked.

Consolidation appears to be the only feasible method for the maintenance of an adequate system of transportation with an opportunity so to adjust freight rates as to meet such temporary conditions as now prevail in some agricultural sections. Competent authorities agree that an entire organization of the rate structure for freight is necessary. This should be ordered at once by the Congress.

DEPARTMENT OF JUSTICE.

As no revision of the laws of the United States has been made since 1878, a commission or committee should be created to undertake this work. The Judicial Council reports that two more district judges are needed in the southern district of New York, one in the northern district of Georgia, and two more circuit judges in the Circuit Court of Appeals of the Eighth Circuit. Legislation should be considered for this purpose.

It is desirable to expedite the hearing and disposal of cases. A commission of federal judges and lawyers should be created to recommend legislation by which the procedure in the federal trial courts may be simplified and regulated by rules of court, rather than by statute; such rules to be submitted to the Congress and to be in force until annulled or modified by the Congress. The Supreme Court needs legislation revising and simplifying the laws governing review by that court, and enlarging the classes of cases of too little public importance to be subject to review. Such reforms would expedite the transaction of the business of the courts. The administration of justice is likely to fail if it be long delayed.

The national Government has never given adequate attention to its prison problems. It ought to provide employment in such forms of production as can be used by the Government, though not sold to the public in competition with private business, for all prisoners who can be placed at work, and for which they should receive a reasonable compensation, available for their dependents. Two independent reformatories are needed; one for the segregation of women, and another for the segregation of young men serving their first sentence.

The administration of justice would be facilitated greatly by including in the Bureau of Investigation of the Department of Justice a Division of Criminal Identification, where there would be collected this information which is now indispensable in the suppression of crime.

PROHIBITION.

The prohibition amendment to the Constitution requires the Congress and the President to provide adequate laws to prevent its violation. It is my duty to enforce such laws. For that purpose a treaty is being negotiated with Great Britain with respect to the right of search of hovering vessels. To prevent smuggling, the Coast Guard should be greatly strengthened, and a supply of swift power boats should be provided. The major sources of production should be rigidly regulated, and every effort should be made to suppress interstate traffic. With this action on the part of the national Government, and the coöperation which is usually rendered by municipal and state authorities, prohibition should be made effective. Free government has no greater menace than disrespect for authority and continual violation of law. It is the duty of a citizen not only to observe the law but to let it be known that he is opposed to its violation.

THE NEGRO.

Numbered among our population are some 12,000,000 colored people. Under our Constitution their rights are just as sacred as those of any other citizen. It is both a public and a private duty to protect those rights. The Congress ought to exercise all its powers of prevention and punishment against the hideous crime of lynching, of which the negroes are by no means the sole sufferers, but for which they furnish a majority of the victims.

Already a considerable sum is appropriated to give the negroes vocational training in agriculture. About half a million dollars is recommended for medical courses at Howard University to help contribute to the education of 500 colored doctors needed each year. On account of the migration of large numbers into industrial centers, it has been proposed that a commission be created, composed of members from both races, to formulate a better policy for mutual understanding and confidence. Such an effort is to be commended. Everyone would rejoice in the accomplishment of the results which it seeks. But it is well to recognize that these difficulties are to a large extent local problems which must be worked out by the mutual forbearance and human kindness of each community. Such a method gives much more promise of a real remedy than outside interference.

CIVIL SERVICE.

The maintenance and extension of the classified civil service is exceedingly important. There are nearly 550,000 persons in the executive civil service drawing about $700,000,000 of yearly compensation. Four-fifths of these are in the classified service. This method of selection of the employees of the United States is especially desirable for the Post-Office Department. The Civil Service Commission has recommended that postmasters at first, second, and third class offices be classified. Such action, accompanied by a repeal of the four-year term of office, would undoubtedly be an improvement. I also recommend that the field force for prohibition enforcement be brought within classified civil service without covering in the present membership. The best method for selecting public servants is the merit system.

PUBLIC BUILDINGS.

Many of the departments in Washington need better housing facilities. Some are so crowded that their work is impeded, others are so scattered that they lose their identity. While I do not favor at this time a general public building law, I believe it is now necessary, in accordance with plans already sanctioned for a unified and orderly system for the development of this city, to begin the carrying out of those plans by authorizing the erection of three or four buildings most urgently needed by an annual appropriation of $5,000,000.

REGULATORY LEGISLATION.

Coöperation with other maritime Powers is necessary for complete protection of our coast waters from pollution. Plans for this are under way, but await certain experiments for refuse disposal. Meantime laws prohibiting spreading oil and oil refuse from vessels in our own territorial waters would be most helpful against this menace and should be speedily enacted.

Laws should be passed regulating aviation.

Revision is needed of the laws regulating radio interference.

Legislation and regulations establishing load lines to provide safe loading of vessels leaving our ports are necessary and recodification of our navigation laws is vital.

Revision of procedure of the Federal Trade Commission will give more constructive purpose to this department.

If our Alaskan fisheries are to be saved from destruction, there must be further legislation declaring a general policy and delegating the authority to make rules and regulations to an administrative body.

ARMY AND NAVY.

For several years we have been decreasing the personnel of the Army and Navy, and reducing their power to the danger point. Further reductions should not be made. The Army is a guarantee of the security of our citizens at home; the Navy is a guarantee of the security of our citizens abroad. Both of these services should be strengthened rather than weakened. Additional planes are needed for the Army, and additional submarines for the Navy. The defenses of Panama must be perfected. We want no more competitive armaments. We want no more war. But we want no weakness that invites imposition. A people who neglect their national defense are putting in jeopardy their national honor.

INSULAR POSSESSIONS.

Conditions in the insular possessions on the whole have been good. Their business has been reviving. They are being administered according to law. That effort has the full support of the administration. Such recommendations as may come from their people or their governments should have the most considerate attention.

EDUCATION AND WELFARE.

Our national Government is not doing as much as it legitimately can do to promote the welfare of the people. Our enormous material wealth, our institutions, our whole form of society, can not be considered fully successful until their benefits reach the merit of every individual. This is not a suggestion that the Government should, or could, assume for the people the inevitable burdens of existence. There is no method by which we can either be relieved of the results of our own folly or be guaranteed a successful life. There is an inescapable personal responsibility for the development of character, of industry, of thrift, and of self-control. These do not come from the Government, but from the people themselves. But the Government can and should always be expressive of steadfast determination always vigilant, to maintain conditions under which these virtues are most likely to develop and secure recognition and reward. This is the American policy.

It is in accordance with this principle that we have enacted laws for the protection of the public health and have adopted prohibition in narcotic drugs and intoxicating liquors. For purposes of national uniformity we ought to provide, by constitutional amendment and appropriate legislation, for a limitation of child labor, and in all cases under the exclusive jurisdiction of the federal Government a minimum wage law for women, which would undoubtedly find sufficient power of enforcement in the influence of public opinion.

Having in mind that education is peculiarly a local problem, and that it should always be pursued with the largest freedom of choice by students and parents, nevertheless, the federal Government might well give the benefit of its counsel and encouragement more freely in this direction. If anyone doubts the need of concerted action by the states of the nation for this purpose, it is only necessary to consider the appalling figures of illiteracy representing a condition which does not vary much in all parts of the Union. I do not favor the making of appropriations from the national treasury to be expended directly on local education, but I do consider it a fundamental requirement of national activity which, accompanied by allied subjects of welfare, is worthy of a separate department and a place in the Cabinet. The humanitarian side of government should not be repressed, but should be cultivated.

Mere intelligence, however, is not enough. Enlightenment must be accompanied by that moral power which is the product of the home and of religion. Real education and true welfare for the people rest inevitably on this foundation, which the Government can approve and commend, but which the people themselves must create.

IMMIGRATION.

American institutions rest solely on good citizenship. They were created by people who had a background of self-government. New arrivals should be limited to our capacity to absorb them into the ranks of good citizenship. America must be kept American. For this purpose, it is necessary to continue a policy of restricted immigration. It would be well to make such immigration of a selective nature with some inspection at the source, and based either on a prior census or upon the record of naturalization. Either method would insure the admission of those with the largest capacity and best intention of becoming citizens. I am convinced that our present economic and social conditions warrant a limitation of those to be admitted. We should find additional safety in a law requiring the immediate registration of all aliens. Those who do not want to be partakers of the American spirit ought not to settle in America.

VETERANS.

No more important duty falls on the Government of the United States than the adequate care of its veterans. Those suffering disabilities incurred in the service must have sufficient hospital relief and compensation. Their dependents must be supported. Rehabilitation and vocational training must be completed. All of this service must be clean, must be prompt and effective, and it must be administered in a spirit of the broadest and deepest human sympathy. If investigation reveals any present defects of administration or need of legislation, orders will be given for the immediate correction of administration, and recommendations for legislation should be given the highest preference.

At the present there are 9,500 vacant beds in Government hospitals. I recommend that all hospitals be authorized at once to receive and care for, without hospital pay, the veterans of all wars needing such care, whenever there are vacant beds, and that immediate steps be taken to enlarge and build new hospitals to serve all such cases.

The American Legion will present to the Congress a legislative program too extensive for detailed discussion here. It is a carefully matured plan. While some of it I do not favor, with much of it I am in hearty accord, and I recommend that a most painstaking effort be made to provide remedies for any defects in the administration of the present laws which their experience has revealed. The attitude of the Government toward these proposals should be one of generosity. But I do not favor the granting of a bonus.

COAL.

The cost of coal has become unbearably high. It places a great burden on our industrial and domestic life. The public welfare requires a reduction in the price of fuel. With the enormous deposits in existence, failure of supply ought not to be tolerated. Those responsible for the conditions in this industry should undertake its reform and free it from any charge of profiteering.

The report of the Coal Commission will be before the Congress. It comprises all the facts. It represents the mature deliberations and conclusions of the best talent and experience that ever made a national survey of the production and distribution of fuel. I do not favor Government ownership or operation of coal mines. The need is for action under private ownership that will secure greater continuity of production and greater public protection. The federal Government probably has no peace-time authority to regulate wages, prices, or profits in coal at the mines or among dealers, but by ascertaining and publishing facts it can exercise great influence.

The source of the difficulty in the bituminous coal fields is the intermittence of operation which causes great waste of both capital and labor. That part of the report dealing with this problem has much significance, and is suggestive of necessary remedies. By amending the car rules, by encouraging greater unity of ownership, and possibly by permitting common selling agents for limited districts on condition that they accept adequate regulations and guarantee that competition between districts be unlimited, distribution, storage, and continuity ought to be improved.

The supply of coal must be constant. In case of its prospective interruption, the President should have authority to appoint a commission empowered to deal with whatever emergency situation might arise, to aid conciliation and voluntary arbitration, to adjust any existing or threatened controversy between the employer and the employee when collective bargaining fails, and by controlling distribution to prevent profiteering in this vital necessity. This legislation is exceedingly urgent, and essential to the exercise of national authority for the protection of the people. Those who undertake the responsibility of management or employment in this industry do so with the full knowledge that the public interest is paramount, and that to fail through any motive of selfishness in its service is such a betrayal of duty as warrants uncompromising action by the Government.

REORGANIZATION.

A special joint committee has been appointed to work out a plan for a reorganization of the different departments and bureaus of the Government more scientific and economical than the present system. With the exception of the consolidation of the War and Navy Departments and some minor details, the plan has the general sanction of the President and the Cabinet. It is important that reorganization be enacted into law at the present session.

AGRICULTURE.

Aided by the sound principles adopted by the Government, the business of the country has had an extraordinary revival. Looked at as a whole, the nation is in the enjoyment of remarkable prosperity. Industry and commerce are thriving. For the most part agriculture is successful, eleven staples having risen in value from about $5,300,000,000 two years ago to about $7,000,000,000 for the current year. But range cattle are still low in price, and some sections of the wheat area, notably Minnesota, North Dakota, and on west, have many cases of actual distress. With his products not selling on a parity with the products of industry, every sound remedy that can be devised should be applied for the relief of the farmer. He represents a character, a type of citizenship, and a public necessity that must be preserved and afforded every facility for regaining prosperity.

The distress is most acute among those wholly dependent upon one crop. Wheat acreage was greatly expanded and has not yet been sufficiently reduced. A large amount is raised for export, which has to meet competition in the world market of large amounts raised on land much cheaper and much more productive.

No complicated scheme of relief, no plan for Government fixing of prices, no resort to the public treasury will be of any permanent value in establishing agriculture. Simple and direct methods put into operation by the farmer himself are the only real sources for restoration.

Indirectly the farmer must be relieved by a reduction of national and local taxation. He must be assisted by the reorganization of the freight-rate structure which could reduce charges on his production. To make this fully effective there ought to be railroad consolidations. Cheaper fertilizers must be provided.

He must have organization. His customer, with whom he exchanges products of the farm for those of industry, is organized, labor is organized, business is organized, and there is no way for agriculture to meet this unless it, too, is organized. The acreage of wheat is too large. Unless we can meet the world market at a profit, we must stop raising for export. Organization would help to reduce acreage. Systems of coöperative marketing, created by the farmers themselves, supervised by competent management, without doubt would be of assistance, but they can not wholly solve the problem. Our agricultural schools ought to have thorough courses in the theory of organization and coöperative marketing.

Diversification is necessary. Those farmers who raise their living on their land are not greatly in distress. Such loans as are wisely needed to assist buying stock and other materials to start in this direction should be financed through a Government agency as a temporary and emergency expedient.

The remaining difficulty is the disposition of exportable wheat. I do not favor the permanent interference of the Government in this problem. That probably would increase the trouble by increasing production. But it seems feasible to provide Government assistance to exports, and authority should be given the War Finance Corporation to grant, in its discretion, the most liberal terms of payment for fats and grains exported for the direct benefit of the farm.

MUSCLE SHOALS.

The Government is undertaking to develop a great water-power project known as Muscle Shoals, on which it has expended many million dollars. The work is still going on. Subject to the right to retake in time of war, I recommend that this property with a location for auxiliary steam plant and rights of way be sold. This would end the present burden of expense and should return to the Treasury the largest price possible to secure.

While the price is an important element, there is another consideration even more compelling. The agriculture of the nation needs a greater supply and lower cost of fertilizer. This is now imported in large quantities. The best information I can secure indicates that present methods of power reduction would not be able profitably to meet the price at which these imports can be sold. To obtain a supply from this water power would require long and costly experimentation to perfect a process for cheap production. Otherwise our purpose would fail completely. It seems desirable, therefore, in order to protect and promote the public welfare, to have adequate covenants that such experimentation be made and carried on to success. The great advantage of low-priced nitrates must be secured for the direct benefit of the farmers and the indirect benefit of the public in time of peace, and of the Government in time of war. If this main object be accomplished, the amount of money received for the property is not a primary or major consideration.

Such a solution will involve complicated negotiations, and there is no authority for that purpose. I therefore recommend that the Congress appoint a small joint committee to consider offers, conduct negotiations, and report definite recommendations.

RECLAMATION.

By reason of many contributing causes, occupants of our reclamation projects are in financial difficulties, which in some cases are acute. Relief should be granted by definite authority of law empowering the Secretary of the Interior in his discretion to suspend, readjust, and reassess all charges against water users. This whole question is being considered by experts. You will have the advantage of the facts and conclusions which they may develop. This situation, involving a Government investment of more than $135,000,000, and affecting more than 30,000 water users, is serious. While relief, which is necessary, should be granted, yet contracts with the Government which can be met should be met. The established general policy of these projects should not be abandoned for any private control.

HIGHWAYS AND FORESTS.

Highways and reforestation should continue to have the interest and support of the Government. Everyone is anxious for good highways. I have made a liberal proposal in the Budget for the continuing payment to the states by the federal Government of its share for this necessary public improvement. No expenditure of public money contributes so much to the national wealth as for building good roads.

Reforestation has an importance far above the attention it usually secures. A special committee of the Senate is investigating this need, and I shall welcome a constructive policy based on their report.

It is 100 years since our country announced the Monroe Doctrine. This principle has been ever since, and is now, one of the main foundations of our foreign relations. It must be maintained. But in maintaining it we must not be forgetful that a great change has taken place. We are no longer a weak nation, thinking mainly of defense, dreading foreign imposition. We are great and powerful. New powers bring new responsibilities. Our duty then was to protect ourselves. Added to that, our duty now is to help give stability to the world. We want idealism. We want that vision which lifts men and nations above themselves. These are virtues by reason of their own merit. But they must not be cloistered; they must not be impractical; they must not be ineffective.

The world has had enough of the curse of hatred and selfishness, of destruction and war. It has had enough of the wrongful use of material power. For the healing of the nations there must be good will and charity, confidence and peace. The time has come for a more practical use of moral power, and more reliance upon the principle that right makes its own might. Our authority among the nations must be represented by justice and mercy. It is necessary not only to have faith, but to make sacrifices for our faith. The spiritual forces of the world make all its final determinations. It is with these voices that America should speak. Whenever they declare a righteous purpose there need be no doubt that they will be heard. America has taken her place in the world as a republic—free, independent, powerful. The best service that can be rendered to humanity is the assurance that this place will be maintained.

SPECIAL MESSAGE TO CONGRESS

[Enactments of Alaska Legislature.]

THE WHITE HOUSE, *December 10, 1923.*

To the Congress of the United States:

In compliance with the requirements of Section 20 of the act of Congress entitled "An act to create a legislative assembly in the Territory of Alaska, to confer legislative powers thereon, and for other purposes," approved August 24, 1912, I transmit herewith a copy of the session laws, resolutions, and memorials passed at the sixth regular session of the Territorial Legislature of Alaska, convened at Juneau, the capital, on the fifth day of March, 1923, and adjourned sine die the third day of May, 1923.

In this connection, I deem it proper to call the attention of the Congress, for such action as the Congress may see fit to take, to three of these laws in particular, all of which are the subject of more or less criticism on the part of the district judges and the district attorneys of the Territory of Alaska.

First. Chapter 68 provides in substance that women shall be competent to serve on grand and petit juries, and allows them to claim exemption on account of sex. This statute has the effect of amending a law of Congress—Thirtieth Statutes, 1286—which declares that only male inhabitants shall be competent for such service. The principal objection raised to this law is that it entails delay in jury trials and imposes an unnecessary financial burden on the Government. One of the judges, moreover, has questioned the power of the legislature to enact this law on the ground that it is repugnant to the act of August 24, 1912, *supra.* Delays in trials arise, I am informed, from the fact that women are allowed under this law two days in which to claim exemption, and that it is often necessary to suspend all proceedings until the two-day period has expired. Furthermore, I am advised that nearly ninety per cent of the women claim exemption.

Second. Chapter 75 provides that no costs shall be taxed to the defendant in any criminal case in any of the Territorial courts. It is needless to say that the power to impose costs in criminal cases is one of universal recognition, and this law constitutes a radical departure from prevailing custom. Moreover, section 974 of the Revised Statutes, which is applicable to the whole of the United States as well as Alaska, expressly gives the courts the power to impose costs, and the law now in question will, if allowed to stand, operate to repeal that section so far as Alaska is concerned.

Third. Chapter 91 provides machinery for drawing grand and petit jurors from a box containing the names of three-fourths of all qualified residents of the division where the court is held who voted at the last preceding general Territorial election. Some of the district judges and district attorneys dispute the power of the legislature to enact this law consistently with the limitations of the organic act referred to and other legislation of Congress applicable to Alaska. They all agree that it will undoubtedly restrict the work of the courts and are apprehensive that this law, as well as the others just mentioned, will impose on the national Government an unreasonable financial burden, since all of the expenses of administration are payable out of the federal Treasury.

These enactments involve the legislative policy of Congress, and I invite the consideration of the Congress as to whether they should be disapproved.

CALVIN COOLIDGE.

STATEMENT

[Economic Resources of Germany.]

THE WHITE HOUSE, *December 11, 1923.*

This Government has been informed that the Reparation Commission is considering the establishment of two expert committees, one to consider the means of balancing the budget of Germany and the measures to be taken to stabilize her currency, the other to take up the question of the capital which has been removed from Germany.

The inquiry of the first committee would comprehend all the conditions to be realized and the measures to be taken to accomplish the results desired. All the representatives of the Governments members of the commission have expressed the desire to have American experts on the two committees. It is understood that the Government of the United States is not in a position to be represented on these committees and that the invitation to the American experts will be extended directly by the Reparation Commission.

This Government believes that the proposed inquiry will be of great value and in view of its direct interest as a creditor, and of the importance of the economic recuperation of Europe, it would view with favor the acceptance by American experts of such an invitation. The immediate proposal before the Reparation Commission has been made by the French delegate and the President of the Commission and has the support, it is understood, of all the Allied Governments. The British Government has informed this Government of its desire that American experts should participate in the inquiry. The German Government has also brought the matter to the attention of this Government, stating that it would be much appreciated if an American expert were to participate in the work of the first committee as above proposed, as it is believed that in this way important progress could be made toward the solution of the problems underlying economic recovery.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

PROCLAMATIONS

[Copyright—Canada.]

Whereas it is provided by the Act of Congress approved March 4, 1909, entitled "An Act to Amend and Consolidate the Acts Respecting Copyright," that the copyright secured by the Act, except the benefits under Section 1 (e) thereof as to which special conditions are imposed, shall extend to the work of an author or proprietor who is a citizen or subject of a foreign state or nation, only upon certain conditions set forth in Section 8 of the said Act, to wit:

(a) When an alien author or proprietor shall be domiciled within the United States at the time of the first publication of his work; or

(b) When the foreign state or nation of which such author or proprietor is a citizen or subject grants, either by treaty, convention, agreement, or law, to citizens of the United States the benefit of copyright on substantially the same basis as to its own citizens, or copyright protection substantially equal to the protection secured to such foreign author under this Act or by treaty; or when such foreign state or nation is a party to an international agreement which provides for reciprocity in the granting of copyright, by the terms of which agreement the United States may, at its pleasure, become a party thereto:

And whereas it is provided by Section 1 (e) of the said Act of Congress, approved March 4, 1909, that the provisions of the Act "so far as they secure copyright controlling the parts of instruments serving to reproduce mechanically the musical work, shall include only compositions published and copyrighted after this Act goes into effect, and shall not include the works of a foreign author or composer unless the foreign state or nation of which such author or composer is a citizen or subject grants, either by treaty, convention, agreement or law, to citizens of the United States similar rights";

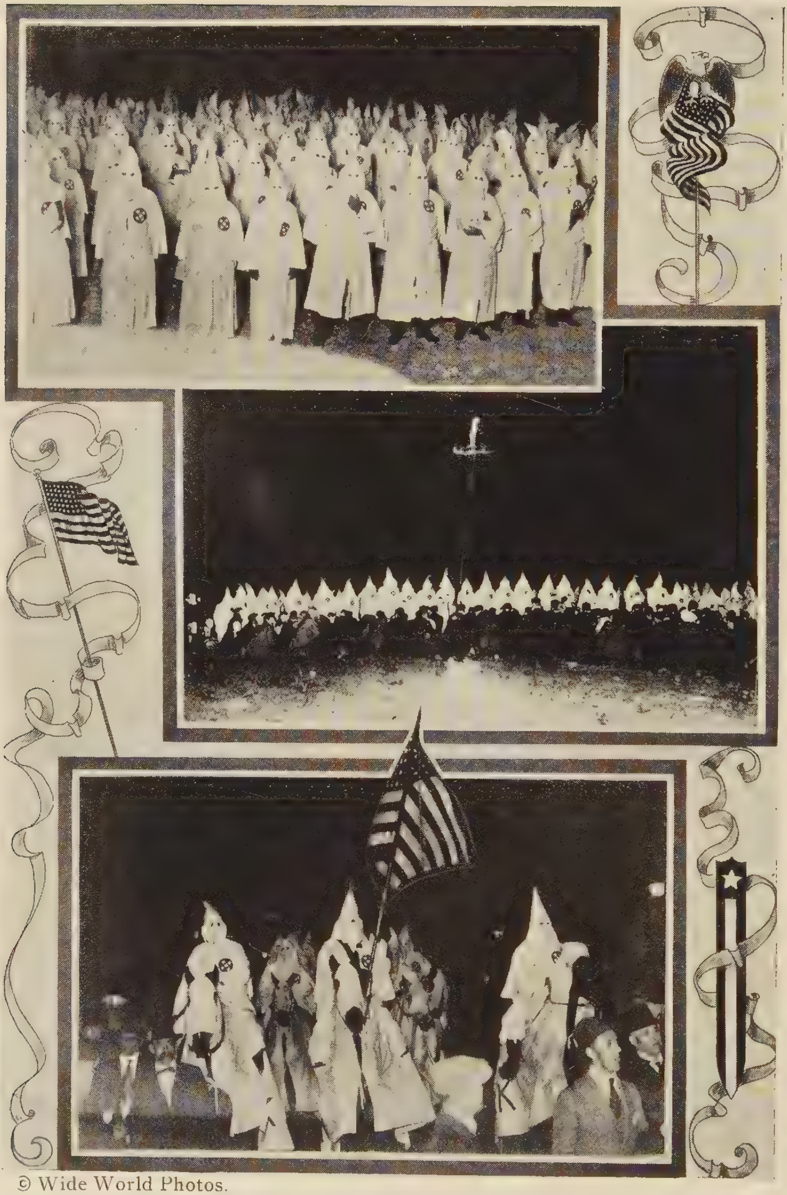
And Whereas the President is authorized by the said Section 8 to determine by proclamation made from time to time the existence of the reciprocal conditions aforesaid, as the purpose of the Act may require;

And Whereas satisfactory official assurances have been received that the Minister of Trade and Commerce of Canada issued, pursuant to Section 4 (2) of the Canadian Copyright Act, assented to June 4, 1921, a certificate dated December 26, 1923, to become operative on January 1, 1924, declaring that for the purposes of the rights conferred by the said Act, the United States shall be treated as if it were a country to which the Act extends.

THE KU KLUX KLAN

Whatever may be thought of the purposes and practises of the Ku Klux Klan, there can be no denying that its resurrection and rapid growth after the close of the World War was one of the most significant symptoms of the times. It was defended as stoutly as it was attacked and in very many sections of the country became the dominant factor in those sections' political and social activities. Indeed, during its period of growth, there were few topics of conversation discussed more avidly than the Klan. The Government's action against the Ku Klux Klan after the Civil War is shown on pages 4086 to 4093, 4104, 4117.

The upper panel on the preceding page shows a gathering of Klansmen preceding their parade in a town in Florida. The middle panel shows new members being sworn into the Klan, under the Klan's emblem of the flaming cross, on the top of historic South Mountain, near Brunswick, Maryland. The lower panel shows the head of a parade of Klansmen in Tulsa, Oklahoma.



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THE KU KLUX KLAN

Now Therefore, I, Calvin Coolidge, President of the United States of America do declare and proclaim:

That on and after January 1, 1924, the conditions specified in Sections 8 (b) and 1 (e) of the Act of March 4, 1909, will exist and be fulfilled in respect to the citizens of Canada and that on and after that date citizens of Canada will be entitled to all the benefits of the Act of March 4, 1909, including Section 1 (e) thereof and the Acts amendatory of the said Act.

Provided that the enjoyment by any work of the rights and benefits conferred by the Act of March 4, 1909, and the Acts amendatory thereof, shall be conditional upon compliance with the requirements and formalities prescribed with respect to such works by the copyright laws of the United States.

And Provided Further that the provisions of Section 1 (e) of the Act of March 4, 1909, in so far as they secure copyright controlling the parts of instruments serving to reproduce mechanically musical works shall apply only to compositions published on or after January 1, 1924, and registered for copyright in the United States.

In Witness Whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the city of Washington this 27th day of December in the year of our Lord One Thousand Nine Hundred and Twenty-three and of the Independence of the United States of America the One Hundred and Forty-eighth.

[SEAL]

CALVIN COOLIDGE.

By the President:

CHARLES E. HUGHES, *Secretary of State.*

[Exportation of Arms or Munitions of War to Mexico Unlawful.]

Whereas, Section I of a Joint Resolution of Congress, entitled, "A Joint Resolution to prohibit the exportation of arms or munitions of war from the United States to certain countries, and for other purposes," approved January 31, 1922, provides as follows:

"That whenever the President finds that in any American country, or in any country in which the United States exercises extraterritorial jurisdiction, conditions of domestic violence exist, which are or may be promoted by the use of arms or munitions of war procured from the United States, and makes proclamation thereof, it shall be unlawful to export, except under such limitations and exceptions as the President prescribes, any arms or munitions of war from any place in the United States to such country until otherwise ordered by the President or by Congress."

And Whereas, it is provided by Section II of the said Joint Resolution that "Whoever exports any arms or munitions of war in violation of Section I shall on conviction be punished by fine not exceeding $10,000 or by imprisonment not exceeding two years, or both."

Now, therefore, I, Calvin Coolidge, President of the United States of America, acting under and by virtue of the authority conferred in me by the said Joint Resolution of Congress, do hereby declare and proclaim that I have found that there exist in Mexico such conditions of domestic violence which are or may be promoted by the use of arms or munitions of war procured from the United States as contemplated by the said Joint Resolution; and I do hereby admonish all citizens of the United States and every person to abstain from every violation of the provisions of the Joint Resolution above set forth, hereby made applicable to Mexico, and I do hereby warn them that all violations of such provisions will be rigorously prosecuted.

And I do hereby enjoin upon all officers of the United States, charged with the execution of the laws thereof, the utmost diligence in preventing violations of the said Joint Resolution and this my Proclamation issued thereunder, and in bringing to trial and punishment any offenders against the same.

And I do hereby prescribe as an exception and limitation to the foregoing restrictions such exportations of arms or munitions of war as are approved by the Government of the United States to the Government of Mexico which has been recognized by the Government of the United States, and such arms and munitions for industrial or commercial uses as may from time to time be exported with the consent of the Secretary of State.

In Witness Whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this seventh day of January in the year of Our Lord One Thousand Nine Hundred and [SEAL] Twenty-four, and of the Independence of the United States of America the One Hundred and Forty-eighth.

CALVIN COOLIDGE.

By the President:

Charles E. Hughes, *Secretary of State.*

SPECIAL MESSAGE TO CONGRESS

[Relief of Agricultural Situation in Northwest.]

The White House, *January 23, 1924.*

To the Congress of the United States:

The economic situation in certain wheat-growing sections of the Northwest is reaching an acute stage that requires organized coöperation on the part of the federal Government and the local institutions of that territory for its solution. In my message of December 6, 1923, I stated:

> The distress is most acute among those wholly dependent upon one crop. Wheat acreage was greatly expanded and has not yet been sufficiently reduced. A large amount is raised for export, which has to meet the competition in the world market of large amounts raised on land much cheaper and much more productive.
>
> Diversification is necessary. Those farmers who raise their living on their land are not greatly in distress. Such loans as are wisely needed to assist buying stock and other materials to start in this direction should be financed through a Government agency as a temporary and emergency expedient.

Great numbers of individual farmers are so involved in debt, both on mortgages and to merchants and banks, they are unable to preserve the equity of their properties. They are unable to undertake the diversification of farming that is fundamentally necessary for sound agricultural reconstruction of the area. They are unable to meet their obligations and thereby has been involved the entire mercantile and banking fabric of these regions.

Not only have there been large numbers of foreclosures on actual farms, but there are great numbers of farmers who are continuing in possession on sufferance from their creditors. There have been large and increasing bank failures. Bills have been introduced providing for the lending by the federal Government of moneys directly to the farmers for purpose of assisting them in conversion of their farms on the basis of diversified farming. I am heartily in favor of these bills, but they do not and will not compass the entire problem.

Many of the farmers are, however, in such jeopardy from their creditors that even with this assistance there is no assurance that they would have a sufficient period in which to work out the necessary conversion of their methods, and it would be useless to give to this group such governmental assistance if it is to be only for purpose of immediate seizure by the creditors.

Such legislation, therefore, will be of little avail unless arrangements have been effected between the farmer and his creditors, by the funding of past-due indebtedness and interest or by similar means, so that the loans will inure to the benefit of the farmer himself instead of merely to the benefit of his creditors. If such arrangements can be made the farmer can be given the opportunity to work his way out of his present difficulties. If they are not made, it is difficult to see how he can benefit from the plan.

In addition to legislation of this character, coupled with the agreements which I have mentioned looking to the refunding of past-due indebtedness, it is necessary to consider whether any steps can be taken to bring financial help to certain limited areas of the Northwest in which embarrassments and failures among country banks have added to the hardships of the farmers. The War Finance Corporation is still functioning, but its authority to make new loans expires March 31 of this year. I recommend that the Congress extend until December 31, 1924, the time during which loans can be made by the corporation, and grant some extension of the period for which loans heretofore made can be removed.

It appears to me that it is essential that the large business concerns such as transportation, the more stable banks, not only in this territory but in adjoining states, who necessarily benefit from the prosperity of these areas, should in their own interest extend a very large measure of aid in remedy of this situation, and that creditors even further afield, such as our insurance companies and others, should coöperate fully.

In those agricultural sections in which numerous bank failures have contributed to the distressful conditions, it must be recognized, however, that there is a distinct limit to the scope of the assistance which the federal Government can render. Government agencies can not properly make loans upon insecure collateral, or to banking institutions whose capital is impaired. In certain sections a more drastic remedy may be necessary. It may be necessary, on a well-organized and extensive scale, to provide systematically for the restoration or strengthening of the capital resources of the country banks and financing institutions necessary to the proper service of the farmer. It may be found to be advisable to create new financing institutions, such as have been organized with great success in the livestock territories, to coöperate with the War Finance Corporation. The Government can not supply banking capital nor can it organize loan companies, but it can properly call upon those large business concerns, the railroads, the mercantile establishments, the agricultural supply houses, and all those large business establishments whose welfare is immediately connected with the welfare of the farmer. It can ask them, in their own interest as well as in the interest of the country, to coöperate with federal agencies in attacking the problem in a large way. I have therefore directed the Secretaries of Commerce and Agriculture and the Managing Director of the War Finance Corporation to confer with representatives of the interested groups, to devise a practical plan of action.

The refunding the pressing past-due indebtedness of the farmer in the territories most seriously affected; financial assistance through a federal agency to enable wheat farmers to make the change from a single-crop system to diversified farming; the restoration, wherever it would be helpful, of the impaired capital of banking institutions in the distressed sections and the creation by private capital of a substantial financing corporation to assist in the plan of reorganization; the extension of the time during which the War Finance Corporation can make loans; these are the measures which I propose. They are measures by which, without undue alarm or agitation, but nevertheless promptly and effectively, we can bring to bear on a serious though happily a localized emergency every resource of the federal Government and all the assistance which the business and farming community can render. CALVIN COOLIDGE.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION

[Death of Ex-President Wilson.]

To the People of the United States:

The death of Woodrow Wilson, President of the United States from March 4, 1913, to March 4, 1921, which occurred at 11:15 o'clock today at his home at Washington, District of Columbia, deprives the country of a most distinguished citizen, and is an event which causes universal and genuine sorrow. To many of us it brings the sense of a profound personal bereavement.

His early profession as a lawyer was abandoned to enter academic life. In this chosen field he attained the highest rank as an educator, and has left his impress upon the intellectual thought of the country.

From the Presidency of Princeton University he was called by his fellow citizens to be the Chief Executive of the State of New Jersey. The duties of this high office he so conducted as to win the confidence of the people of the United States, who twice elected him to the Chief Magistracy of the Republic.

As President of the United States he was moved by an earnest desire to promote the best interests of the country as he conceived them. His acts were prompted by high motives and his sincerity of purpose cannot be questioned. He led the nation through the terrific struggle of the World War with a lofty idealism which never failed him. He gave utterance to the aspiration of humanity with an eloquence which held the attention of all the earth and made America a new and enlarged influence in the destiny of mankind.

In testimony of the respect in which his memory is held by the Government and the people of the United States, I do hereby direct that the flags of the White House and of the several departmental buildings be displayed at half-staff for a period of thirty days, and that suitable military and naval honors, under orders of the Secretary of War and of the Secretary of the Navy, may be rendered on the day of the funeral.

Done at the City of Washington this third day of February, in the year of Our Lord One Thousand Nine Hundred and [SEAL.] Twenty-four, and of the Independence of the United States of America the One Hundred and Forty-eighth.

CALVIN COOLIDGE.

By the President:
CHARLES E. HUGHES, *Secretary of State.*

TREATY WITH GREAT BRITAIN

[Prevention of Smuggling of Intoxicating Liquors.]

THE WHITE HOUSE, *January 24, 1924.*

To the Senate:

I transmit herewith, to the end that I may receive the advice and consent of the Senate to ratification, a treaty between the United States and Great Britain to aid in the prevention of the smuggling of intoxicating liquors into the United States, signed at Washington on January 23, 1924.

CALVIN COOLIDGE.

ARTICLE I.

The high contracting parties declare that it is their firm intention to uphold the principle that 3 marine miles extending from the coastline outwards and measured from low-water mark constitute the proper limits of territorial waters.

ARTICLE II.

(1) His Britannic Majesty agrees that he will raise no objection to the boarding of private vessels under the British flag outside the limits of territorial waters by the authorities of the United States, its territories, or possessions in order that enquiries may be addressed to those on board and an examination be made of the ship's papers for the purpose of ascertaining whether the vessel or those on board are endeavoring to import or have imported alcoholic beverages into the United States, its territories, or possessions in violation of the laws there in force. When such enquiries and examination show a reasonable ground for suspicion, a search of the vessel may be initiated.

(2) If there is reasonable cause for belief that the vessel has committed or is committing or attempting to commit an offense against the laws of the United States, its territories, or possessions prohibiting the importation of alcoholic beverages, the vessel may be seized and taken into a port of the United States, its territories, or possessions for adjudication in accordance with such laws.

(3) The rights conferred by this article shall not be exercised at a greater distance from the coast of the United States, its territories, or possessions than can be traversed in one hour by the vessel suspected of endeavoring to commit the offense. In cases, however, in which the liquor is intended to be conveyed to the United States, its territories, or possessions by a vessel other than the one boarded and searched, it shall be the speed of such other vessel and not the speed of the vessel boarded which shall determine the distance from the coast at which the right under this article can be exercised.

ARTICLE III.

No penalty or forfeiture under the laws of the United States shall be applicable or attach to alcoholic liquors or to vessels or persons by reason of the carriage of such liquors, when such liquors are listed as sea stores or cargo destined for a port foreign to the United States, its territories, or possessions on board British vessels voyaging to or from ports of the United States, or its territories or possessions, or passing through the territorial waters thereof, and such carriage shall be as now provided by law with respect to the transit of such liquors through the Panama Canal, provided that such liquors shall be kept under seal continuously while the vessel on which they are carried remains within said territorial waters and that no part of such liquors shall at any time or place be unladen within the United States, its territories, or possessions.

ARTICLE IV.

Any claim by a British vessel for compensation on the grounds that it has suffered loss or injury through the improper or unreasonable exercise of the rights conferred by article 2 of this treaty or on the ground that it has not been given the benefit of article 3 shall be referred for the joint consideration of two persons, one of whom shall be nominated by each of the high contracting parties.

Effect shall be given to the recommendations contained in any such joint report. If no joint report can be agreed upon, the claim shall be referred to the claims commission established under the provisions of the agreement for the settlement of outstanding pecuniary claims signed at Washington the 18th August, 1910, but the claim shall not, before submission to the tribunal, require to be included in a schedule of claims confirmed in the manner therein provided.

ARTICLE V.

This treaty shall be subject to ratification and shall remain in force for a period of one year from the date of the exchange of ratifications.

Three months before the expiration of the said period of one year either of the high contracting parties may give notice of its desire to propose modifications in the terms of the treaty.

If such modifications have not been agreed upon before the expiration of the term of one year mentioned above, the treaty shall lapse.

If no notice is given on either side of the desire to propose modifications, the treaty shall remain in force for another year, and so on automatically, but subject always in respect of each such period of a year to the right on either side to propose as provided above three months before its expiration modifications in the treaty, and to the provision that if such modifications are not agreed upon before the close of the period of one year the treaty shall lapse.

ARTICLE VI.

In the event that either of the high contracting parties shall be prevented either by judicial decision or legislative action from giving full effect to the provisions of the present treaty the said treaty shall automatically lapse, and, on such lapse or whenever this treaty shall cease to be in force, each high contracting party shall enjoy all the rights which it would have possessed had this treaty not been concluded.

The present convention shall be duly ratified by the President of the United States of America, by and with the advice and consent of the Senate thereof, and by His Britannic Majesty; and the ratifications shall be exchanged at Washington as soon as possible.

In witness whereof the respective plenipotentiaries have signed the present convention in duplicate and have hereunto affixed their seals.

Done at the city of Washington this 23d day of January, in the year of our Lord 1924.

[SEAL.] CHARLES EVANS HUGHES.
[SEAL.] A. C. GEDDES.

STATEMENT

[Passage of Resolution in the Senate Calling for the Resignation of Secretary of the Navy Denby.]

THE WHITE HOUSE, *February 11, 1924.*

No official recognition can be given to the passage of the Senate resolution relative to their opinion concerning members of the Cabinet or other officers under executive control.

As soon as special counsel can advise me as to the legality of these leases and assemble for me the pertinent facts in the various transactions, I shall take such action as seems essential for the full protection of the public interests. I shall not hesitate to call for the resignation of any official whose conduct in this matter in any way warrants such action upon my part. The dismissal of an officer of the Government, such as is involved in this case, other than by impeachment, is exclusively an executive function. I regard this as a vital principle of our Government.

In discussing this principle, Mr. Madison has well said:

"It is laid down in most of the constitutions or bills of rights in the republics of America, it is to be found in the political writings of the most celebrated civilians, and is everywhere held as essential to the preservation of liberty, that the three great departments of government be kept separate and distinct."

President Cleveland likewise stated the correct principle in discussing requests and demands made by the Senate upon him and upon different departments of the Government in which he said:

"They assume the right of the Senate to sit in judgment upon the exercise of my exclusive discretion and an executive function, for which I am solely responsible to the people from whom I have so lately received the sacred trust of office.

"My oath to support and defend the Constitution, my duty to the people who have chosen me to execute the powers of their great office and not to relinquish them, and my duty to the Chief Magistracy, which I must preserve unimpaired in all its dignity and vigor, compel me to refuse compliance with these demands."

The President is responsible to the people for his conduct relative to the retention or dismissal of public officials. I assume that responsibility, and the people may be assured that as soon as I can be advised so that I may act with entire justice to all parties concerned and fully protect the public interests, I shall act.

I do not propose to sacrifice any innocent man for my own welfare, nor do I propose to retain in office any unfit man for my own welfare. I shall try to maintain the functions of the government unimpaired, to act upon the evidence and the law as I find it, and to deal thoroughly and summarily with every kind of wrongdoing.

In the meantime, such steps have been taken and are being taken as fully to protect the public interests.

CALVIN COOLIDGE.

ADDRESS

[Before National Republican Club at Waldorf-Astoria Hotel, New York City, February 12, 1924.]

Mr. Chairman: One hundred and fifteen years ago to-day Abraham Lincoln was born. How great he became can not yet be accurately measured, although nearly sixty years have passed since his death. Probably there has been no one justly entitled to be called "the greatest man in the world." As there are many different talents, so there are many different kinds of greatness. This makes comparisons somewhat barren of results. But measured by ability, achievement, and character, America has long placed Washington and Lincoln as the two men in our history preeminently entitled to be termed "truly great." In this opinion we have the general concurrence of mankind. While others approach them, they are not outranked by any of the other figures which all of civilization has produced throughout its record of thousands of years.

In a way all men are great. It is on that conception that American institutions have been founded. Perhaps the differences are not so much as many suppose. Yet there are differences which set off some men from their fellows. What those differences are in a particular case is a matter somewhat of personal opinion. To me the greatness of Lincoln consisted very largely of a vision by which he saw more clearly than the men of his time the moral relationship of things. His great achievement lay in bringing the different elements of his country into a more truly moral relationship. He was the commander-in-chief of the greatest armies the world had then seen. They were victorious. Yet we do not think of him as a conqueror. He directed the raising and expenditure of vast sums of money. Yet we do not think of him as a financier. The course which he followed cost many lives and desolated much territory. Yet we think of him not as placing a burden on the nation but removing one from it, not as a destroyer but as a restorer.

He was a liberator. He struck the fetters not only from the bodies but from the minds of men. He was a great moral force.

When Lincoln had finished his course, he had made the foundation of freedom stronger and firmer on which to build national unity. Strengthening that principle was the chief accomplishment of his life. He pointed out that the nation could not endure half slave and half free. The mighty work which he did finally left it to endure all free. He restored national unity by restoring moral unity.

The questions which he considered in his day we need have no hesitation in concluding were finally and definitely settled. There is no difference of opinion, no argument about them now. The conclusions which he drew have long since been the settled policy of our country.

The conflicts of his time have passed away. New developments have taken place, new problems have been met. The industrial struggle which came, lasting up to the days of the World War, for increased compensation to wage earners, for the bettering of their condition, while it has never been fully settled, does not appear at present to be acute. The rewards of Labor engaged in commerce, transportation, and industry are now such as to afford the most liberal participation in all the essentials of life. What this tremendous opportunity now held by the wage earner, if wisely and justly administered, will mean to the well-being of the nation is almost beyond comprehension. It opens up the prospect of a new era in human existence. It justifies the assertion that while America has problems, it is not lacking in the ability and the courage to comprehend and solve them. It is a warrant for confidence in the future.

That national unity for which Lincoln laid the foundation requires perpetual adjustment for its maintenance. How great our country really is, how diversified are its interests, is almost beyond the comprehension of any one man. Yet great and diversified as it is, any pretense of sound morals or sound economics requires that each part, each section, and each interest, should be looked upon by the Government with like solicitude, all sharing the common burdens, all partaking of the common welfare. There is no sound policy which is narrow, or sectional, or limited. Every sound policy must be national in its scope. It is always necessary to determine what will be good for the whole country.

The necessary observance of these principles requires, at the present time, that a large amount of attention should be given to Agriculture. This is an interest on which it is estimated that more than forty millions of our people are directly or indirectly dependent. It represents an investment several times as large as that of all the railroads of the country. It has an aggregate production of over $8,000,000,000 each year. Yet with all these vast resources of production and consumption, and the vast purchasing power for the products of the farm, which is represented by the prosperity of our industry and commerce, with here and there an exception, agriculture as a whole languishes.

Production has outrun the power of distribution and consumption. The farm population is not increasing, but the improved methods of tillage and inventions in farm machinery have all contributed to increase the per capita output. It is in this direction that the agricultural schools and colleges have placed their major emphasis. Their education has been substantially all on the side of improved methods of production and none on the side of distribution, consumption, and marketing.

When there is a difficulty which affects so large a population, so large an area, and so important an interest as that of agriculture, it is distinctly a national problem. It scarcely needs to be pointed out that agriculture is of vital importance to the country. It is the primary source of sustenance, enterprise, industry, and wealth. Everyone ought to know that it is basic and fundamental. Without a healthy, productive, and prosperous Agriculture, there can be no real national prosperity. It is perfectly obvious that there is something radically wrong when Agriculture is found in its present state of depression at a time when manufacturing, transportation, and commerce are on the whole in a remarkable state of prosperity.

No one would deny, I suppose, that industrially we are very flourishing. Every standard by which prosperity is measured, whether it be production, movement of freight, corporate earnings, employment of labor, or bank clearings, all point to the same conclusion. Disregarding the abnormal war-time condition, for every important enterprise save agriculture, the year 1923 undoubtedly holds the record. Earnings have been very greatly increased, and except here and there, as in the case of some railroads, must be looked upon with a great deal of satisfaction.

But agriculture has only partially revived. Its position has been improved, and the returns for the year are nearly thirty per cent in excess of two years ago. But the great food staples do not sell on a parity with the products of industry. Their average price is little above the pre-war level, while manufactures are about 50 per cent higher. The farmer is not receiving his fair share.

The result has been a decrease in the value of farm lands, the choking of the avenues of credit with obligations which are worthless or doubtful, the foreclosure of mortgages, and the suspension of a large number of banks. To this depression there have been other contributing causes, but the main difficulty has been the price of farm produce.

Very likely you are wondering why agriculture should be discussed here in this metropolis. One reason is that I want to emphasize as forcibly as possible your very intimate dependence upon agricultural welfare. That great interest can not be affected without the necessity of your being affected. The farm is one of the chief markets for the industries of the nation. You have a direct economic and financial interest. You can not long prosper with that great population and great area in distress. You have a political interest. The people of those numerous states cast an enormous influence upon the making of the laws by which you are governed. Unsound economic conditions are not conducive to sound legislation. The farm has a social value which can not be overestimated. It is the natural home of liberty and the support of courage and character. In all the nation it is the chief abiding place of the spirit of independence. I do not need to dwell upon the moral requirement for the equitable distribution of prosperity and the relief of distress by the application of every possible and sound remedy. This problem is not merely the problem of the agricultural sections of our country; it is the problem likewise of industry, of transportation, of commerce, and of banking. I bring it to you because I know that in part it is your problem. I have already encouraged organization and cooperative marketing that organized agriculture may cope with organized industry. I have promoted tariff investigations for increased rates on wheat. I have extended relief through the War Finance Corporation and the Federal Reserve bank system.

I shall not now discuss the details of legislation or enter upon a presentation of peculiarly agricultural remedies. I made specific recommendations in my message to the Congress, and there are bills pending for carrying my suggestions into effect. What I am most anxious to impress upon the prosperous part of our country is the utmost necessity that they should be willing to make sacrifices for the assistance of the unsuccessful part. I do not mean by that any unsound device like price fixing, which I oppose, because it would not make prices higher but would in the end make them lower, it would not be successful and would not prove a remedy, but I do mean that the resources of the country ought to come to the support of agriculture. The organization recently perfected to supply money and management for the larger aspects of agriculture ought to have your sympathetic and active support. I am glad that financial America is moving in that direction. It will be less work and less expense for you to meet this situation in this way, for you will meet it; you will be affected by its economic, political, and moral results.

When an examination is made to ascertain some of the causes of these conditions, among the first which suggest themselves is the amount and the method of national taxation. Out of an income of about $60,000,000,000 a year, the people of this country pay nearly $7,500,000,000 in taxes, which is over $68 for every inhabitant of the land. Of this amount the national Government collects about $3,200,000,000, and the state and local governments about $4,300,000,000. As a direct burden this is a stupendous sum, but when it is realized that in the course of our economic life it is greatly augmented when it reaches the consumer in the form of the high cost of living, its real significance begins to be appreciated. The national and local governments ought to be unremitting in their efforts to reduce expenditures and pay their debts. This the national Government is earnestly seeking to do. The war cost of more than $40,000,000,000 is already nearly half paid. Amid the disordered currencies of the warring nations our money is, and has been maintained, at the gold standard. Our budget has long since been balanced, and our debt-paying program is at the rate of $500,000,000 each year. In spite of all these expenditures, the next fiscal year has an estimated surplus revenue of over $300,000,000.

This represents a great financial achievement in the past three years. In the first place, it was necessary to provide for more than $7,000,000,000 of short-term securities. These have all either been paid or refunded, so that they will become due in the future at orderly intervals, when they can be retired or further extended. When it is realized that such large loans were made in a way that not only left business undisturbed, but was scarcely perceptible to the public, the skill with which Secretary Mellon managed them can well be appreciated.

Coincident with this was the even greater task of reducing national expenditures. Through legislative enactment and executive effort this has gone steadily forward, and is now proceeding from day to day. Under the watchful care of the Budget Bureau every department is constantly striving to eliminate all waste and discard every unnecessary expense.

Every reasonable effort has been made to secure the liquidation of our international debts. The largest, which was that of Great Britain, and which amounted with accumulated interest to $4,600,000,000, has been settled on terms that provide for its payment over a period of 62 years. Interest runs at 3 per cent until 1933, and after that 3½ per cent. This calls for payments in the immediate future of $160,000,000 and more a year. They have the option to pay us in our own bonds, and in its practical working this agreement does not involve cash payments to this country, but simply a mutual cancellation of debts. The funding of the British debt was one of the greatest of international financial transactions. It had its effect on business confidence, which was world wide. It demonstrated the determination of a great empire faithfully to discharge its international obligations. In this respect it was much more than a financial transaction, it was an exhibition of the highest type of international honor. It showed that the moral standards of the world were going to be maintained.

All of this has laid the foundation for national tax reduction and reform. In time of war finances, like all else, must yield to national defense and preservation. In time of peace finances, like all else, should minister to the general welfare. Immediately upon my taking office it was determined after conference with Secretary Mellon that the Treasury Department should study the possibility of tax reduction for the purpose of securing relief to all taxpayers of the country and emancipating business from unreasonable and hampering exactions. The result was the proposed bill, which is now pending before the Congress. It is doubtful if any measure ever received more generous testimony of approval. Opposition has appeared to some of its details, but to the policy of immediate and drastic reduction of taxes, so arranged as to benefit all classes and all kinds of business, there has been the most general approbation. These recommendations have been made by the Treasury as the expert financial adviser of the Government. They follow, in their main principle of a decrease in high surtaxes, which is only another name for war taxes, the views of the two preceding Secretaries of the Treasury, both of them Democrats of pronounced ability. They are non-partisan, well thought out, and sound. They carry out the policy of reducing the taxes of everybody, especially people of moderate income. They give to the country almost a million dollars every working day.

The proposed bill maintains the fixed policy of rates graduated in proportion to ability to pay. That policy has received almost universal sanction. It is sustained by sound arguments based on economic, social, and moral grounds. But in taxation, like everything else, it is necessary to test a theory by practical results. The first object of taxation is to secure revenue. When the taxation of large incomes is approached with that in view, the problem is to find a rate which will produce the largest returns. Experience does not show that the higher rate produces the larger revenue. Experience is all in the other way. When the surtax rate on incomes of $300,000 and over was but 10 per cent, the revenue was about the same as when it was at 65 per cent. There is no escaping the fact that when the taxation of large incomes is excessive, they tend to disappear. In 1916 there were 206 incomes of $1,000,000 or more. Then the high tax rate went into effect. The next year there were only 141, and in 1918 but 67. In 1919 the number declined to 65. In 1920 it fell to 33, and in 1921 it was further reduced to 21. I am not making an argument with the man who believes that 55 per cent ought to be taken away from the man with $1,000,000 income, or 68 per cent from a $5,000,000 income; but when it is considered that in the effort to get these amounts we are rapidly approaching the point of getting nothing at all, it is necessary to look for a more practical method. That can be done only by a reduction of the high surtaxes when viewed solely as a revenue proposition, to about 25 per cent.

I agree perfectly with those who wish to relieve the small taxpayer by getting the largest possible contribution from the people with large incomes. But if the rates on large incomes are so high that they disappear, the small taxpayer will be left to bear the entire burden. If, on the other hand, the rates are placed where they will produce the most revenue from large incomes, then the small taxpayer will be relieved. The experience of the Treasury Department and the opinion of the best experts place the rate which will collect most from the people of great wealth, thus giving the largest relief to people of moderate wealth, at not over 25 per cent.

A very important social and economic question is also involved in high rates. That is the result taxation has upon national development. Our progress in that direction depends upon two factors—personal ability and surplus income. An expanding prosperity requires that the largest possible amount of surplus income should be invested in productive enterprise under the direction of the best personal ability. This will not be done if the rewards of such action are very largely taken away by taxation. If we had a tax whereby on the first working day the Government took 5 per cent of your wages, on the second day 10 per cent, on the third day 20 per cent, on the fourth day 30 per cent, on the fifth day 50 per cent, and on the sixth day 60 per cent, how many of you would continue to work on the last two days of the week? It is the same with capital. Surplus income will go into tax-exempt securities. It will refuse to take the risk incidental to embarking in business. This will raise the rate which established business will have to pay for new capital, and result in a marked increase in the cost of living. If new capital will not flow into competing enterprise the present concerns tend toward monopoly, increasing again the prices which the people must pay.

The high prices paid and low prices received on the farm are directly due to our unsound method of taxation. I shall illustrate this by a simple example: A farmer ships a steer to Chicago. His tax, the tax on the railroad transporting the animal, and of the yards where the animal is sold, go into the price of the animal to the packer. The packer's tax goes into the price of the hide to the New England shoe manufacturer. The manufacturer's tax goes into the price to the wholesaler, and the wholesaler's tax goes into the price to the retailer, who in turn adds his tax in the price to the purchaser. So it may be said that if the farmer ultimately wears the shoes, he pays everybody's taxes from the farm to his feet. It is for these reasons that high taxes mean a high price level, and a high price level in its turn means difficulty in meeting world competition. Most of all, the farmer suffers from the effect of this high price level. In what he buys he meets domestic costs of high taxes and the high price level. In what he sells he meets world competition with a low price level. It is essential, therefore, for the good of the people as a whole that we pay not so much attention to the tax paid directly by a certain number of the taxpayers, but we must devote our efforts to relieving the tax paid indirectly by the whole people.

Taken altogether, I think it is easy enough to see that I wish to include in the program a reduction in the high surtax rates, not that small incomes may be required to pay more and large incomes be required to pay less, but that more revenue may be secured from large incomes and taxes on small incomes may be reduced; not because I wish to relieve the wealthy, but because I wish to relieve the country.

The practical working out of the proposed schedules is best summarized by the Treasury experts, who find that $92,000,000 a year will be saved to those who have incomes under $6,000; $52,000,000 to those who have incomes between $6,000 and $10,000; and that less than 3 per cent of the proposed reduction would accrue to those who have incomes of $100,000 or more. A married man with two children, having an income of $4,000, would have his tax reduced from $28 to $15.75; having $5,000, from $68 to $38.25; having $6,000, from $128 to $72; having $8,000, from $276 to $144; and having $10,000, from $456 to $234.

In order to secure these results, the administration bill proposes to reduce the tax on earned income 25 per cent, and the normal tax on unearned income also 25 per cent. This would apply to all incomes alike, great and small, and would provide general and extensive relief. Further reductions would be secured by increasing the amount of income, exempt from surtaxes, from $6,000 to $10,000. Such surtaxes increase progressively until on incomes of $100,000 or more they reach the maximum of 25 per cent which, with the normal tax of 6 per cent, make large incomes pay in all 31 per cent. It is also proposed to repeal many troublesome and annoying rates, such as admission taxes and sales taxes, the existence of which is reflected in the increased cost of doing business and the higher prices required from the people.

That is the tax measure which has been proposed, and which has my support. Because I wish to give to all the people all the relief which it contains, I am opposed to material alteration or to compromise. It is about as far removed as anything could be from any kind of partisanship. At least, I do not charge that there is any party or any responsible party leadership that admits it is opposed to making taxes low and in favor of keeping taxes high. But the actions and proposals of some are liable to have just that result. I stand on the simple proposition that the country is entitled to all the relief from the burden of taxation that it is possible to give. The proposed measure gives such relief. Other measures which have been brought forward do not meet this requirement. They have the appearance of an indirect attempt to defeat a good measure with a bad measure. You have heard much of the Garner plan. Brought forward to have something different, it purported to relieve the greatest number of taxpayers. It gave not the slightest heed to the indirect effect of high taxes, or to the approaching drying up of the source of revenue and consequent failure of the progressive income tax, or to the destruction of business initiative. It is political in theory. When the effect of its provisions was estimated, it meant a loss of revenue beyond the expected surplus. It is impossible in practice. The people will not be misled by such proposals. It is entirely possible to have a first-class bill. I want the country to have the best there is. I am for it because it will reduce taxes on all classes of income. I am for it because it will encourage business. I am for it because it will decrease the cost of living. I am for it because it is economically, socially, and morally sound.

But the people of the nation must understand that this is their fight. They alone can win it. Unless they make their wishes known to the Congress without regard to party this bill will not pass. I urge them to renewed efforts.

Since August, 1919, the public debt has been decreasing. About $4,500,000,000 has been paid off. This means a reduction in interest of almost $200,000,000. It is of the utmost importance, in order to be able to meet a fast approaching foreign competition, that to keep business good and prevent depression we reduce our debt and keep our expenditures as low as possible. These are the economic reasons why the granting of a bonus would jeopardize the welfare of the whole country. It is estimated that under the bonus bill which was vetoed, if all the beneficiaries had taken the certificates which it was proposed to issue, the plan would have cost $225,000,000 annually for the first four years, and a total of $5,400,000,000. This would more than destroy all the great labor which the country has gone through for the purpose of reducing its debt. It would mean the indefinite postponement of any tax reduction, another increase in the cost of living, more drying up of the sources of credit, and a probable raising of the rates of interest; all of which would result in inflation and higher prices, with the grave danger of ultimate disaster to our financial system. We have been through one period of deflation. Nearly all the men on the farms and many of the men in business have not yet recovered from it, and the country certainly does not want to take the risk of another like experience. A few months of good times are worth more to the service men themselves than anything they could receive in the way of a bonus.

But this question goes deeper than that. I am aware that some men made money out of the war. Most of them lost what they made, but not all. No doubt there are some such who are justly to be criticized for greed and selfishness. Unfortunately they would not pay the bonus. It would have to be paid by the country. I have already undertaken to demonstrate that taxes are paid by the great mass of the people. It is necessary to consider whether there be any moral justification for placing all the people under this great burden, in order to pay some money to a part of the people, many of whom do not want it and are offering pronounced objection to it. A very large body of the service men do not want the bonus, and object to being taxed in order that it may be paid. Their request is entitled to just as much consideration as the request of those who do want it. They are just as eager now to save their country from financial disaster as they were formerly to save it from military disaster. They are entitled to be heard. This question ought to be decided in accordance with the welfare of the whole country.

No one doubts the patriotism of those who advocate the bonus. No one denies that the country owes a debt which it never can pay to those who were in the service. Their disabilities must be recompensed, their health restored, their dependents supported; all at public expense. They are entitled to the highest honor. But the service they rendered was of such a nature that it can not be recompensed to them by a payment of money. America was not waging war for the purpose of securing spoils. The American soldier did not enter the service for the purpose of securing personal gain.

I have lately undertaken to define the outline of the foreign policy of the present Government. Nothing has occurred since my message to the Congress that requires any change in that policy. The prospect of a European settlement, however, has arisen, which holds some promise. Three Americans of outstanding and well-seasoned ability have been called to give their expert assistance and advice. They do not represent our Government. Their only official standing comes from their being agents of the Reparation Commission. Yet they can not help being Americans, and will bring to their problem not the point of view of the American Government but, what may be more effective, the point of view of the American mind. Without doubt any settlement would call for a European funding and financing, which would be of doubtful success without American participation. The export of such capital as is not required for domestic business, and which the American people feel can be profitably done, having in view the financial returns, enlargement of our trade, and the discharge of the moral obligation of bearing our share of the burdens of the world, entirely in accordance with the choice of our own independent judgment, ought to be encouraged.

Our Government does not want war anywhere. It wants peace everywhere. It does not look with sympathy upon the manufacture or sale of arms and munitions by which one country might make war upon another country. It recognizes, however, that every government must necessarily maintain some military establishment for national defense and the policing of its own domain. For such incidental purposes there could be little criticism for our Government or private interests, having the necessary equipment, to furnish it. But it is a traffic which we wish to discourage, rather than encourage. We do not believe in great armaments. Especially are we opposed to anything like competitive armaments. While the present time does not appear propitious for a further effort at limitation, should a European settlement be accomplished, something might be hoped for in that direction. The United States stands ready to join with the other great Powers, whenever there appears to be reasonable prospect of agreement, in a further limitation of competitive armaments.

A situation has recently arisen in Mexico which has caused some solicitude. We recognize that the people of that country have a perfect right to set up and pull down government without any interference from us, so long as there is no interference with the lawful rights of our Government or our citizens within their territory. We do not harbor the slightest desire to dictate to them in the smallest degree. We have every wish to be friendly and helpful. After a long period of shifting and what appeared to us to be unsubstantial governments in that country, we recently reached the opinion that President Obregon has established a Government which is stable and effective, and disposed to observe international obligations. We therefore recognized it. When disorder arose there, President Obregon sought the purchase of a small amount of arms and munitions from our Government for the purpose of insuring his own domestic tranquillity. We had either to refuse or to comply. To refuse would have appeared to be equivalent to deciding that a friendly government, which we had recognized, ought not to be permitted to protect itself. Stated in another way, it would mean that we had decided that it ought to be overthrown, and that the very agency which we had held out as able to protect the interests of our citizens within its borders ought not to be permitted to have the means to make such protection effective. My decision ran in a counter direction.

It was not a situation of our making, but one which came and had to be met. In meeting it, I did what I thought was necessary to discharge the moral obligation of one friendly government to another. The supremacy of the Obregon Government now appears to be hopeful.

Whatever may be the outcome, we are not responsible for it. We did what I believed was right to do under the circumstances. It was done, not for the purpose of protecting any particular individuals or interests, but to exercise a legal right, while at the same time throwing our influence in favor of orderly procedure and evidencing our friendship toward the friendly Government of Mexico. Any other course would appear to me to be unworthy of our country.

I propose to continue whatever course of action is customary between friendly governments. While I trust no further action may be necessary, I shall continue to afford protection in accordance with the requirements of international law. I propose to protect American lives and American rights.

Lately there have been most startling revelations concerning the leasing of Government oil lands. It is my duty to extend to every individual the constitutional right to the presumption of innocence until proven guilty. But I have another duty equally constitutional, and even more important, of securing the enforcement of the law. In that duty I do not intend to fail.

Character is the only secure foundation of the State. We know well that all plans for improving the machinery of government and all measures for social betterment fail, and the hopes of progress wither, when corruption touches administration. At the revelation of greed making its subtle approaches to public officers, of the prostitution of high place to private profit, we are filled with scorn and with indignation. We have a deep sense of humiliation at such gross betrayal of trust, and we lament the undermining of public confidence in official integrity. But we can not rest with righteous wrath; still less can we permit ourselves to give way to cynicism. The heart of the American people is sound. Their officers with rare exception are faithful and high-minded. For us, we propose to follow the clear, open path of justice. There will be immediate, adequate, unshrinking prosecution, criminal and civil, to punish the guilty and to protect every national interest. In this effort there will be no politics and no partisanship. It will be speedy, it will be just. I am a Republican, but I can not on that account shield anyone because he is a Republican. I am a Republican, but I can not on that account prosecute anyone because he is a Democrat.

I want no hue and cry, no mingling of innocent and guilty in unthinking condemnation, no confusion of mere questions of law with questions of fraud and corruption. It is at such a time that the quality of our citizenry is tested—unrelenting toward evil, fair-minded and intent upon the requirements of due process, the shield of the innocent and the safeguard of society itself. I ask the support of our people, as Chief Magistrate, intent on the enforcement of our laws without fear and without favor, no matter who is hurt or what the consequences.

Distressing as this situation has been, it has its reassuring side. The high moral standards of the people were revealed by their instant reaction against wrongdoing. The officers of the Government, without respect to party, have demonstrated a common purpose to protect Government property and to bring guilt to justice. We have the trials and perplexities of our day, but they seem insignificant compared with those which taxed the genius of Lincoln. The Government maintained itself then; the Government will maintain itself now. The forces of evil do not long triumph. The power of justice can not long be delayed. The moral force of Lincoln is with us still. "He that keepeth Israel shall neither slumber nor sleep."

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

PROCLAMATIONS

[Forest Protection Week and Arbor Day—1924.]

Whereas, it is essential to the continued comfort, welfare, and prosperity of the people of the United States that abundant forests, widely distributed and maintained in a condition of high productiveness, be forever wisely conserved as one of our greatest natural resources; and

Whereas, because of our constantly increasing need for wood and other forest products, together with our past failure to provide for reforestation, we are drawing upon our supplies of timber four times as fast as they are renewed through growth; and

Whereas, the most formidable agency of forest destruction and prevention of reforestation is fire and, of the fires which annually devastate vast areas, four-fifths are ascribed in origin to human agencies and virtually all may be controlled and made innocuous through prudence, care, and vigilance;

Therefore, I, Calvin Coolidge, President of the United States, do urge upon the Governors of the various States to designate and set apart the week of April 21-27, 1924, as Forest Protection Week, and, wherever practicable and not in conflict with State law or accepted customs, to celebrate Arbor Day within that week. I also urge all citizens, either in association or as individuals, all schools, and the press of the land to give common thought to the protection of our forests from fire, to the end that, in the future as in the past, these forests may supply us with wood, protect the purity of our streams, and otherwise serve the people of the United States.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this 15th day of February, in the year of our Lord one thousand nine hundred and twenty-
[SEAL.] four, and of the Independence of the United States of America the one hundred and forty-eighth.

CALVIN COOLIDGE.

By the President:
CHARLES E. HUGHES, *Secretary of State.*

[Amnesty and Pardon.]

Whereas, in and by the Constitution of the United States of America, it is provided that the President "shall have power to grant reprieves and pardons for offenses against the United States, except in cases of impeachment"; and

Whereas, Sections 1996 and 1998 of the Revised Statutes of the United States as modified by the Act of Congress approved August 22, 1912 (37 Stat. 356), prescribe that all persons thereafter deserting the military or naval service of the United States shall be deemed to have voluntarily relinquished and forfeited their rights of citizenship, as well as their right to become citizens, and shall be forever incapable of holding any office of trust or profit under the United States, or of exercising any rights of citizens thereof, but that said provisions "shall not apply to any person hereafter deserting the military or naval service of the United States in time of peace"; and

Whereas, an armistice was signed with the Imperial Austro-Hungarian Government on November 3, 1918, and with the Imperial German Government on November 11, 1918, the effect of which was to terminate hostilities; and

Whereas, the war with the aforesaid foreign powers was not formally at an end until July 2, 1921, as declared by a Joint Resolution of the Senate and House of Representatives of the United States approved July 2, 1921, and by proclamations of the President of the United States of November 14, 1921, and November 17, 1921; and

Whereas, many persons who deserted from the military or naval service of the United States on or after November 11, 1918, and therefor were duly convicted of desertion committed in time of war, are now leading blameless lives and have reestablished themselves in the confidence of their fellow citizens, and it is believed that further application of the provisions of the Revised Statutes hereinabove set forth to their cases would in most instances be productive of no good results and would be contrary to the spirit of those provisions;

Now, therefore, be it known, that I, Calvin Coolidge, President of the United States of America, in consideration of the premises, divers other good and sufficient reasons me thereunto moving, do hereby declare and grant amnesty and pardon to all persons who have heretofore been or may hereafter be convicted of desertion from the military or naval service of the United States in time of war, committed during the war hereinbefore mentioned and on or since November 11, 1918, to the extent that there shall be, and hereby are, fully remitted as to such persons any relinquishment or forfeiture of their rights of citizenship as well as their right to become citizens, and any incapacity to hold office of trust or profit under the United States or to exercise any rights of citizens thereof, which forfeitures and disabilities have heretofore been or may hereafter be incurred under the provisions of the sections of the Revised Statutes hereinabove set forth by any such persons in consequence of conviction of desertion committed in time of war as aforesaid.

Furthermore, I do hereby proclaim, declare and make known that nothing contained in this proclamation is intended to remove, or to authorize the removal of, any charge of desertion which may now be standing on the rolls or records of the United States in the case of any person, or as pardoning, remitting or mitigating any penalties to which any person has become, is now, or hereafter may become liable, except as hereinbefore specifically provided.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this fifth day of March, in the year
of our Lord one thousand nine hundred and twenty-four,
[SEAL.] and of the Independence of the United States of America
the one hundred and forty-eighth.

CALVIN COOLIDGE.

By the President:
CHARLES E. HUGHES, *Secretary of State.*

[Wheat and Wheat Products.]

Whereas, in and by Section 315 (a) of Title III of the Act of Congress approved September 21, 1922, entitled "An Act to provide revenue, to regulate commerce with foreign countries, to encourage the industries of the United States, and for other purposes," it is among other things provided that whenever the President, upon investigation of the differences in costs of production of articles wholly or in part the growth or product of the United States and of like or similar articles wholly or in part the growth or product of competing foreign countries, shall find it thereby shown that the duties fixed in this Act do not equalize the said differences in costs of production in the United States and the principal competing country he shall, by such investigation, ascertain said differences and determine and proclaim the changes in classifications or increases or decreases in rates of duty provided in said Act shown by said ascertained differences in such costs of production necessary to equalize the same;

Whereas, in and by Section 315 (c) of said Act it is further provided that in ascertaining the differences in costs of production, under the provisions of subdivisions (a) and (b) of said section, the President, in so far as he finds it practicable, shall take into consideration (1) the differences in conditions in production, including wages, costs of material, and other items in costs of production of such or similar articles in the United States and in competing foreign countries; (2) the differences in the wholesale selling prices of domestic and foreign articles in the principal markets of the United States; (3) advantages granted to a foreign producer by a foreign government, or by a person, partnership, corporation, or association in a foreign country; and (4) any other advantages or disadvantages in competition;

Whereas, under and by virtue of said section of said Act the United States Tariff Commission has made an investigation to assist the President in ascertaining differences in costs of production of, and of all other facts and conditions enumerated in said section with respect to the articles described in paragraphs 729 and 730 of Title I of said Tariff Act of 1922, namely, wheat, wheat flour, semolina, crushed and cracked wheat, and similar wheat products not specially provided for, bran, shorts and by-product feeds obtained in milling wheat, being wholly or in part the growth or product of the United States, and of and with respect to like or similar articles wholly or in part the growth or product of competing foreign countries;

Whereas, in the course of said investigation a hearing was held, of which reasonable public notice was given and at which parties interested were given a reasonable opportunity to be present, to produce evidence, and to be heard;

And, whereas, the President upon said investigation of said differences in costs of production of said article wholly or in part the growth or product of the United States and of like or similar articles wholly or in part the growth or product of competing foreign countries, has thereby found that the principal competing country is the Dominion of Canada and that the duties fixed in said Title and Act do not equalize the differences in costs of production in the United States and in said principal competing country, namely, Canada, and has ascertained and determined the increased and decreased rates of duty, respectively, necessary to equalize the same.

Now, therefore, I, Calvin Coolidge, President of the United States, do hereby determine and proclaim that the increases and decreases in the rates of duty provided in said Act shown by said ascertained differences in said costs of production necessary to equalize the same, are as follows:

An increase in said duty on wheat from 30 cents per bushel of sixty pounds to 42 cents per bushel of sixty pounds;

An increase in said duty on wheat flour, semolina, crushed or cracked wheat, and similar wheat products not specially provided for from 78 cents per hundred pounds to $1.04 per hundred pounds;

A decrease in said duty on bran, shorts, and by-product feeds obtained in milling wheat (within the limit of total decrease provided for in said Act) from 15 per centum ad valorem to 7½ per centum ad valorem.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this seventh day of March, in the year of our Lord one thousand nine hundred and twenty-four, and of the Independence of the United States of America the one hundred and forty-eighth.

[SEAL.]

CALVIN COOLIDGE.

By the President:

CHARLES E. HUGHES, *Secretary of State.*

SPECIAL MESSAGE TO CONGRESS

[Urging a Twenty-five Per Cent Reduction in Taxes.]

THE WHITE HOUSE, *March 11, 1924.*

TO THE CONGRESS OF THE UNITED STATES:

It had been my earnest hope that a 25 per cent reduction in taxes to be paid for the current year might be provided by law before the 15th of March current. Many people have been expecting that such would be the case and deferred their tax returns accordingly. It is a matter of such imminent importance that I have no hesitation in recommending that the public welfare would be much advanced by temporarily laying aside all other legislation and enacting a resolution for this purpose, which ought to be by unanimous consent. The taxpayers, the business interests, agriculture, industry, finance; in fact all the elements that go to make up the economic welfare of the people of America would be greatly benefited by such action. It would remove an element of uncertainty from the current financial year at once, which would be a strong stimulant to business, with its resultant benefit to the wage earner and the agriculture of our country. It is impossible to see that any harm could accrue from this action, and there is every prospect of resulting benefits which would be very great. It would be a positive step in the right direction, which is much needed at this time to justify the confidence of the people that the Government is intent solely on the promotion of the public welfare, without regard to any collateral objects.

CALVIN COOLIDGE.

LETTER

[Work of the St. Lawrence Commission.]

THE WHITE HOUSE, *March 14, 1924.*

DEAR MR. SECRETARY:

In appointing the St. Lawrence Commission of the United States under your chairmanship, I desire to set out my views as to the work that the commission can properly undertake.

It is my desire that the commission should thoroughly consider the whole project in its economic and national aspects, should solicit the views of the various sections of the community, should be able to express an opinion as to whether or not the project should be undertaken at the present time. If this judgment should be in the affirmative, then I wish the commission to consider the formulation of such projects as might be submitted for international agreement on construction, finance and administration—all of which, of course, must be of a preliminary nature as a basis for formal negotiations with the Canadian Government, and obviously subject to the views of Congress.

In order that the work of the commission shall be coordinated with the joint engineering investigations suggested in the correspondence with the Canadian Government, I am today asking that the War Department place under your direction the necessary engineering officers, and you will, as Secretary of Commerce, represent our Government in these matters.

The project of opening the Great Lakes to ocean-going ships, and development of the great power resources of the St. Lawrence River, on behalf of both the Canadian and American people, has been a hope long treasured by many millions of our people, and it is in the desire that this matter, if it is sound and practicable, should be brought one step nearer to consummation that I am asking you and your fellow Commissioners to serve in this matter.

Very truly yours,

CALVIN COOLIDGE.

HON. HERBERT C. HOOVER,
Department of Commerce, Washington, D. C.

EXECUTIVE ORDER

[Inspection of Income Tax Returns.]

THE WHITE HOUSE, *March 15, 1924.*

Pursuant to authority conferred upon the President by paragraph G (*d*), section 2 of the tariff act of October 3, 1913; section 14 (*b*), Title I, of the revenue act of 1916; section 212, Title II, of the revenue act of 1917; section 257, Title II, section 336, Title III, and section 1000, Title X, of the revenue act of 1918; and section 257, Title II, section 336, Title III, and section 1000, Title X, of the revenue act of 1921, it is hereby ordered that tax returns filed under section 2 of the tariff act of October 3, 1913; Title I of the revenue act of 1916; Title II of the revenue act of 1917; Titles II and III and section 1000, Title X, of the revenue act of 1918; and Titles II and III and section 1000, Title X, of the revenue act of 1921, shall be open to inspection in accordance and upon compliance with rules and regulations prescribed by the Secretary of the Treasury and approved by me, bearing even date herewith.

CALVIN COOLIDGE.

BY THE PRESIDENT OF THE UNITED STATES OF AMERICA.

A PROCLAMATION

[Exportation of Arms or Munitions of War to Honduras Unlawful.]

Whereas, Section I of a Joint Resolution of Congress, entitled a "Joint Resolution to Prohibit the Exportation of Arms or Munitions of War from the United States to Certain Countries, and for other Purposes," approved January 31, 1922, provides as follows:

"That whenever the President finds that in any American country, or in any country in which the United States exercises extraterritorial jurisdiction, conditions of domestic violence exist, which are or may be promoted by the use of arms or munitions of war procured from the United States, and makes proclamation thereof, it shall be unlawful to export, except under such limitations and exceptions as the President prescribes, any arms or munitions of war from any place in the United States to such country until otherwise ordered by the President or by Congress."

And whereas, it is provided by Section II of the said Joint Resolution that "Whoever exports any arms or munitions of war in violation of section I shall on conviction be punished by fine not exceeding $10,000, or by imprisonment not exceeding two years, or both."

Now, therefore, I, Calvin Coolidge, President of the United States of America, acting under and by virtue of the authority conferred in me by the said Joint Resolution of Congress, do hereby declare and proclaim that I have found that there exist in Honduras such conditions of domestic violence which are or may be promoted by the use of arms or munitions of war procured from the United States as contemplated by the said Joint Resolution; and I do hereby admonish all citizens of the United States and every person to abstain from every violation of the provisions of the Joint Resolution above set forth, hereby made applicable to Honduras, and I do hereby warn them that all violations of such provisions will be rigorously prosecuted.

And I do hereby enjoin upon all officers of the United States, charged with the execution of the laws thereof, the utmost diligence in preventing violations of the said Joint Resolution and this my Proclamation issued thereunder, and in bringing to trial and punishment any offenders against the same.

In witness whereof, I have hereunto set my hand and caused the seal of the United States to be affixed.

Done at the City of Washington this twenty-second day of March in the year of our Lord one thousand nine hundred and [SEAL.] twenty-four and of the Independence of the United States of America the one hundred and forty-eighth.

CALVIN COOLIDGE.

By the President:
CHARLES E. HUGHES, *Secretary of State.*

LETTER

[Asking for Resignation of Attorney General Daugherty.]

THE WHITE HOUSE, *March 27, 1924.*

MY DEAR MR. ATTORNEY GENERAL:

Since my conference with you I have examined the proposed reply you suggest making to the demand that you furnish the committee investigating the Department of Justice with files from that department, relating to litigation and to the Bureau of Investigation. You represent to me and to the committee in your letter that it would not be compatible with the public interest to comply with the demand, and wish to conclude your letter with a statement that I approve that position. Certainly I approve the well established principle that departments should not give out information or documents, for such a course would be detrimental to the public interest and this principle is always peculiarly applicable to your department, which has such an intimate relation to the administration of justice. But you will readily perceive that I am unable to form an independent judgment in this instance without a long and intricate investigation of voluminous papers, which I can not personally make, and so I should be compelled to follow the usual practice in such cases and rely upon your advice as Attorney General and head of the Department of Justice.

But you will see at once that the committee is investigating your personal conduct, and hence you have become an interested party, and the committee wants these papers because of a claim that they disclose your personal conduct of the department. Assuming that the request of the committee is appropriately limited to designated files, still the question will always be the same. In view of the fact that the inquiry relates to your personal conduct, you are not in a position to give to me or the committee what would be disinterested advice as to the public interest. You have a personal interest in this investigation which is being made of the conduct of yourself and your office, which may be in conflict with your official interest as the Attorney General. I am not questioning your fairness or integrity. I am merely reciting the fact that you are placed in two positions, one your personal interest, the other your office of Attorney General, which may be in conflict. How can I satisfy a request for action in matters of this nature on the ground that you as Attorney General advise against it, when you as the individual against whom the inquiry is directed necessarily have a personal interest in it? I do not see how you can be acting for yourself in your own defense in this matter and at the same time and on the same question acting as my adviser as Attorney General.

These two positions are incompatible and can not be reconciled. I am sure you will see that it is necessary for me to have the advice of a disinterested Attorney General in order that I may discharge the duties of my office in this and other matters. I feel certain that you will know how deeply I regret that this situation has arisen. It only illustrates the difficulties which are certain to recur with ever increasing embarrassment and your inability to perform satisfactorily the duties of Attorney General under present conditions. You will readily understand that it is not now my intention to prejudge the issues which remain to be developed in this investigation. I recognize that you are entitled to a full and fair hearing. But as there is no way by which you can divest yourself of the interest you have personally in the investigation, I can see no way but for you to retire as Attorney General, and I am therefore compelled to request your resignation.

Very truly yours,

CALVIN COOLIDGE.

HON. HARRY M. DAUGHERTY,
Attorney General, Washington, D. C.

EXECUTIVE ORDER

[Commercial Research of Government Officials in Foreign Lands.]

THE WHITE HOUSE, *April 4, 1924*.

The following regulations are hereby prescribed for the guidance of the representatives of the Government of the United States in foreign countries with a view to giving unified direction to their activities in behalf of the promotion and protection of the commercial and other interests of the United States, insuring effective cooperation, and encouraging economy in administration.

Whenever representatives of the Department of State and other Departments of the Government of the United States are stationed in the same city in a foreign country they will meet in conference at least fortnightly under such arrangements as may be made by the chief diplomatic officer or, at posts where there is no diplomatic officer, by the ranking consular or other officer.

It shall be the purpose of such conferences to secure a free interchange of all information bearing upon the promotion and protection of American interests.

It shall be the duty of all officers to furnish in the most expeditious manner, without further reference, all economic and trade information requested by the ranking officers in the service of other Departments of the Government assigned to the same territory; Provided, That where such compliance would be incompatible with the public interest or where the collection of such information requires research of such exhaustive character that the question of interference with regular duties arises, decision as to compliance shall be referred to the chief diplomatic officer or to his designated representative or, in the absence of such officers, to the supervising consular officer in the said jurisdiction. All failures to provide information requested as hereinbefore set forth shall be reported immediately by cable to the Departments having jurisdiction over the officers concerned.

With a view to eliminating unnecessary duplication of work, officers in the same jurisdiction shall exchange at least fortnightly a complete inventory of all economic and trade reports in preparation or in contemplation.

Copies of all economic and trade reports prepared by consular or other foreign representatives shall be filed in the appropriate embassy or legation of the United States or, where no such office exists, in the consulate general and shall be available to the ranking foreign representatives of all Departments of the Government. Extra copies shall be supplied upon request by the officer making the report.

The customary channel of communication between consular officers and officers of other Departments in the foreign field shall be through the supervising consul general, but in urgent cases or those involving minor transactions such communications may be made direct; Provided, That copies of all written communications thereof are simultaneously furnished to the consul general for his information. It shall be the duty of supervising consuls general to expedite intercommunication and exchange of material between the consular service and all other foreign representatives of the United States.

Upon the arrival of a representative of any Department of the Government of the United States in any foreign territory in which there is an embassy, legation or consulate general, for the purpose of special investigation, he shall at once notify the head of the diplomatic mission of his arrival and the purpose of his visit and it shall be the duty of said officer or of his designated representative, or in the absence of such officer, then the supervising consular officer, to notify, when not incompatible with the public interest, all other representatives of the Government of the United States in that territory of the arrival and the purpose of the visit, and to take such steps as may be appropriate to assist in the accomplishment of the object of the visit without needless duplication of work.

In all cases of collaboration, or where material supplied by one officer is utilized by another, full credit therefor shall be given.

CALVIN COOLIDGE.

THE "GENTLEMEN'S AGREEMENT" WITH JAPAN ON IMMIGRATION

[In a message to Secretary of State Hughes dated April 10, 1924, the Ambassador from Japan gave the following summary of the understanding between the United States and Japan on emigration from the latter to the former. Secretary Hughes confirmed the correctness of the summary.]

(1) The Japanese Government will not issue passports good for the continental United States to laborers, skilled or unskilled, except those previously domiciled in the United States, or parents, wives, or children under 20 years of age of such person. The form of the passport is so designed as to omit no safeguard against forgery, and its issuance is governed by various rules of detail in order to prevent fraud.

The Japanese Government accepted the definition of "laborer" as given in the United States Executive order of April 8, 1907.

(2) Passports are to be issued by a limited number of specially authorized officials only, under close supervision of the foreign office, which has the supreme control of the matter and is equipped with the necessary staff for the administration of it. These officials shall make thorough investigations when application for passports is made by students, merchants, tourists, or the like to ascertain whether the applicant is likely to become a laborer, and shall enforce the requirement that such person shall either be supplied with adequate means to insure the permanence of his status as such or that surety be given therefor. In case of

any doubt as to whether such applicant is or is not entitled to a passport the matter shall be referred to the foreign office for decision.

Passports to laborers previously domiciled in the United States will be issued only upon production of certificate from Japanese consular officers in the United States, and passports to the parents, wives, and children of such laborers will be issued only upon production of such consular certificate and of duly certified copy of official registry of members of such laborer's family in Japan. Utmost circumspection is exercised to guard against fraud.

(3) Issuance of passports to so-called "picture brides" has been stopped by the Japanese Government since March 1, 1920, although it has not been prohibited under the terms of the gentlemen's agreement.

(4) Monthly statistics covering incoming and outgoing Japanese are exchanged between the American and Japanese Governments.

(5) Although the gentlemen's agreement is not applicable to the Hawaiian Islands, measures restricting issuance of passports for the islands are being enforced in substantially the same manner as those for the continental United States.

(6) The Japanese Government is further exercising strict control over emigration of Japanese laborers to foreign territories contiguous to the United States in order to prevent their surreptitious entry into the United States.

SPECIAL MESSAGE TO SENATE

[Protesting Against Proposed Investigation of Bureau of Internal Revenue.]

THE WHITE HOUSE, *April 11, 1924.*

TO THE SENATE:

Herewith is a copy of a letter from the Secretary of the Treasury, Hon. Andrew W. Mellon, to me, which I feel constrained to transmit to the Senate for its information. Also a copy of the resolution adopted by the committee investigating the Bureau of Internal Revenue. This is done because it seems incredible that the Senate of the United States would knowingly approve the past and proposed conduct of one of its committees which this letter reveals.

There exists, and always should exist, every possible comity between the Executive departments and the Senate. Whatever may be necessary for the information of the Senate or any of its committees, in order better to enable them to perform their legislative or other constitutional functions, ought always to be furnished willingly and expeditiously by any department. The executive branch has nothing that it would wish to conceal from any legitimate inquiry on the part of the Senate. But it is recognized both by law and by custom that there is certain confidential information which it would be detrimental to the public service to reveal. Such information as can be disclosed I shall always unhesitatingly direct to be laid before the Senate. I recognize also that it is perfectly legitimate for the Senate to indulge in political discussion and partisan criticism.

But the attack which is being made on the Treasury Department goes beyond any of these legitimate requirements. Seemingly the request for a list of the companies in which the Secretary of the Treasury was alleged to be interested, for the purpose of investigating their tax returns, must have been dictated by some other motive than a desire to secure information for the purpose of legislation. The adoption of the resolution already referred to is apparently subject to the same criticism. The Senate resolution appointing this committee is not drawn in terms which purport to give any authority to the committee to delegate their authority, or to employ agents and attorneys. The appointment of an agent and attorney to act in behalf of the United States, but to be paid by some other source than the Public Treasury, is in conflict with the spirit of section 1764 of the Revised Statutes—the act of March 3, 1917.

The constitutional and legal rights of the Senate ought to be maintained at all times. Also the same must be said of the Executive departments. But these rights ought not to be used as a subterfuge to cover unwarranted intrusion. It is the duty of the Executive to resist such intrusion and to bring to the attention of the Senate its serious consequences. That I shall do in this instance.

Under a procedure of this kind the constitutional guaranty against unwarranted search and seizure breaks down, the prohibition against what amounts to a Government charge of criminal action without the formal presentment of a grand jury is evaded, the rules of evidence which have been adopted for the protection of the innocent are ignored, the department becomes the victim of vague, unformulated, and indefinite charges, and instead of a government of law we have a government of lawlessness. Against the continuation of such a condition I enter my solemn protest and give notice that in my opinion the departments ought not to be required to participate in it. If it is to continue, if the Government is to be thrown into disorder by it, the responsibility for it must rest on those who are undertaking it. It is time that we returned to a government under and in accordance with the usual forms of the law of the land. The state of the Union requires the immediate adoption of such a course. CALVIN COOLIDGE.

SPECIAL MESSAGE TO CONGRESS

[Need for Revising Reclamation Law.]

THE WHITE HOUSE, *April 21, 1924.*

TO THE CONGRESS OF THE UNITED STATES:

I would respectfully urge on Congress the immediate necessity of revising the present reclamation law.

The Secretary of the Interior appointed a special advisory committee of six members to study reclamation and make report to him. That committee has completed its work and has made its report to the Secretary of the Interior, and he has transmitted that report to me. I herewith transmit it to you.

Many occupants of our reclamation projects in the West are in financial distress. They are unable to pay the charges assessed against them. In some instances settlers are living on irrigated lands that will not return a livelihood for their families and at the same time pay the money due the Government as it falls due.

Temporary extensions of time and suspension of these charges serve only to increase their debts and add to their hardships. A definite policy is imperative, and permanent relief should be applied where indicated. The heretofore adopted repayment plan is erroneous in principle, and in many cases impossible of accomplishment. It fixes an annual arbitrary amount that the farmers must pay on the construction costs of projects regardless of their production.

In its place should be substituted a new policy providing that payments shall be assessed by the Government in accordance with the crop-producing quality of the soil.

The facts developed by the special advisory committee show that of the Government's total investment $18,861,146 will never be recovered. There will be a probable loss of an additional $8,830,000. These sums represent expenditures in the construction of reservoirs, canals, and other works for the irrigation of lands that have proven unproductive. I recommend that Congress authorize the charging off of such sums shown to be impossible of collection.

Because of high rates of interest and other agricultural difficulties existing, farmers are often unable to borrow money for temporary relief. The establishment of a credit fund by the Government from which farmers on projects may secure capital to make permanent improvements, buy equipment and livestock, should be considered.

More than 30,000 water users are affected by the present serious condition. Action is deemed imperative before the adjournment of Congress, that their welfare may be safeguarded.

The probable loss and the temporary difficulties of some of the settlers on projects does not mean that reclamation is a failure. The sum total of beneficial results has been large in the building up of towns and agricultural communities and in adding tremendously to the agricultural production and wealth of the country. Whatever legislation is necessary to the advancement of reclamation should be enacted without delay.

CALVIN COOLIDGE.

ADDRESS

[Annual Luncheon of Associated Press, New York City, April 22, 1924.]

The gathering and publication of news has a deeper significance than is sometimes realized. No large enterprise can exist for itself alone. It ministers to some great need, it performs some great service, not for itself, but for others; or, failing therein, it ceases to be profitable and ceases to exist. This is the case with the Associated Press. It is one of the eyes of mankind which never slumbers. Without ceasing, it assembles each day the events of each part of the world, and transmits them to every other part. The fundamental reason for this lies in the fact that it is felt to be of vital importance to each man, and each community, to know what other men and other communities are doing. The news is printed and read, not for the mere purpose of entertainment, amusement and recreation, but almost entirely for the practical purpose of information, in order that by means of accurate knowledge of what others are doing a course may be laid out of accurate and successful action.

Faith in the American people means a faith in their ability to form sound judgments, when once the facts have been presented to them clearly and without prejudice. It is this educational work, national in its scope, that the Associated Press performs, and upon its integrity and fairness depends in large measure the course of public opinion in the United States. This work is done without any tinge of personal or political opinion. A very practical need exists, and it is met by a very practical service. It is individual in its nature. It is a personal service for each one of us, making its appeal entirely to the intelligence of the individual and recognizing fully the American ideal of intellectual independence.

This conception is not exactly at variance with, but certainly supplementary to, the long cherished American ideal of the independence of the individual and the independence of the nation. Granted that the largest possible independence is a desirable goal, the consideration at once arises as to how such independence can best be secured. The work of the Associated Press, both necessary and logical, indicates that the true method would appear to lie in recognizing the broad principle of our individual and national dependence, calculating the requirements which flow from that condition, and governing ourselves accordingly. Complete independence means complete coordination and cooperation. From this principle arises the oft-repeated law of service—we can help ourselves only as we help others. A knowledge and an understanding of others become absolutely necessary, in order to make our ideals practical. One of the preeminent requirements of our country at the present time is to reestablish and emphasize in the public mind this law of service. The danger to America is not in the direction of the failure to maintain its economic position, but in the direction of the failure to maintain its ideals.

The principle of service is not to be confounded with a weak and impractical sentimentalism. It does not mean that either the individual or the nation is to assume the burdens which ought to be borne by others. It is warranted in considering self to the extent of recognizing that it is justifiable to accumulate and hold the resources which must necessarily be used to serve ourselves, our own household, and our own nation. But it does not stop there. It recognizes also the necessity of serving others, and when the need arises for meeting a moral requirement, of making individual and national sacrifices sufficient to maintain the cause of righteousness.

Some of the recent developments in Washington have revealed the dangers to which I refer in a very dramatic way. Beginning nearly 10 years ago our country entered a period when conditions were altogether artificial and abnormal, culminating in the strained and lurid events of our participation in the war. The old standards of action were either suspended or entirely cast aside. Altogether too many of those in a position to do so began to take advantage of the necessities of the situation for their own profit. Finally nearly all of those in responsible positions throughout the entire civilized world had but one main object in view, which was the winning of the war. They began to make almost every consideration and motive subsidiary to that great effort. Totally inconceivable amounts of money were raised and expended with a lavishness which a few months before would have been believed impossible, and which now seems like some wild nightmare. Nothwithstanding the great wave of patriotic fervor which swept over the land; notwithstanding the tremendous sacrifices which the people in every walk of life made, and stood ready to make; almost unconsciously these conditions developed, which I mention not for any purpose now to criticize, where the least scrupulous became the greatest gainers and a considerable part of our population was thrown into a morbid financial state of mind, which even the best intentioned did not wholly escape. The desire for profits and more profits kept on increasing, and the quest for easy money became well-nigh universal. All of this meant an attempt to appropriate the belongings of others without rendering a corresponding service.

This condition began to subside nearly four years ago, but it left along its course a trail of vicious and criminal selfishness which in diminishing degree has ever since been attempting to gratify an appetite grown all the sharper through indulgence, and a general credulity to rumors of large sums of money demanded and paid on account of every conceivable motive and action.

From all of this sordidness the affairs of government, of course, suffered. In some of it a few public officers were guilty participants. But the wonder is not that this was so much or so many, rather that it has been so little and so few. The encouraging thing at present is the evidence of a well-nigh complete return to normal methods of action, and a sane public opinion. The gravity of guilt of this kind is fully realized and publicly reprehended. There is an exceedingly healthy disposition to uproot it altogether, and administer punishment wherever competent evidence of guilt can be produced. That I am doing and propose to continue.

Another phase of lingering extravagance, from which the country has not yet fully recovered, is revealed by a consideration of the bills which are pending before the Congress, calling for an expenditure of public money. Exceedingly great efforts have been put forth to reduce the cost of government. Hundreds of thousands of public employees have been released, and every department has been thoroughly deflated and placed under most competent financial supervision. The country as a whole is demanding with great vigor every possible relief from the burden of every unnecessary public expenditure. Yet notwithstanding this, minority groups of one kind or another, and organizations, sometimes almost nation-wide in their ramifications, are making the most determined assaults upon the public treasury. I am advised by the Director of the Bureau of the Budget that careful computation discloses that there are bills pending that are seriously pressed for passage, not including the bonus, which would increase the expenditures of the Federal Government for next year by about $3,600,000,000. This would mean that outside of the Post Office Department, which is practically self-sustaining, the present rate of expenditure would be more than doubled. Each one of these items taken by itself is not large, and its supporters argue that certainly the Government can afford to make this small additional payment. But taken in the aggregate they make the stupendous sum I have mentioned, and their assumption by the Government would mean nothing less than financial disaster to the nation. The law of service must be applied to this situation. Our country is very rich, but were its possessions increased many-fold, it would not be warranted in paying out money except for value received. Value received on the part of the Government is estimated by a general consideration of all the attending conditions. At present our country does not need a greater outlay of expense, but a greater application of constructive economy.

The same state of mind is revealed again in the determined resistance which is made to the adoption of a sound method of taxation.

The main argument of the opposition can all be reduced to the supposition that the general public can be relieved of taxation and a greater proportion of taxes laid on the rich. I shall not examine the soundness of this proposal, the economic injury which it would inflict, or its impossibility as a working principle. I mention it as another example of an attempt to minister to a supposed desire to evade the law of service. It seems as though the public is assumed to desire to have the advantages of a government without paying its part of the cost of maintaining it. Besides being convinced that such a result is utterly impossible of accomplishment, I am even more firmly of the belief that it misrepresents the general attitude of the public mind. Moreover, the success of the Government does not lie in wringing all the revenue it can from the people, but in making their burden as light and fairly distributed as possible, consistent with the proper maintenance of the necessary public functions. The Government itself, in order to be successful, and all of those connected with it, must put all of their energy upon what they can do for the people, not upon what they can get out of them.

These are some of the reasons which reveal to us why, in our domestic affairs, we must be possessed of accurate information of the doings and needs of others, in order that we may best serve ourselves by serving them through appropriate action. We are all a part of one common country. To be in a healthy and successful condition economically, means a free interplay of competition in service, based upon that mutual faith in each other which we term public confidence. Notwithstanding the disturbing character of recent revelations, notwithstanding the enormous pressure for the passage of legislation which would greatly increase the cost of maintaining the Government of the United States, notwithstanding the failure of a majority of the Congress up to the present time accurately to comprehend and expeditiously to minister to the need of taxation reform, I believe that the requirements of economy and reduced taxes will be met in a way not inconsistent with the great resources of our country.

While I have thought it desirable to point out dangerous tendencies, I know that with few exceptions the management of our Government has been and is in honest and competent hands, that its finances are sound and well managed, and that the business interests of the nation, including the owners, managers and employees, are representative of honorable and patriotic motives, and that the present economic condition warrants a continuation of confidence and prosperity. Fundamentally, America is sound. It has both the power and disposition to maintain itself in a healthy economic and moral condition. But it can not do this by turning all its thoughts in on itself, or by making its material prosperity its supreme choice. Selfishness is only another name for suicide. A nation that is morally dead will soon be financially dead. The progress of the world rests on courage, honor and faith. If America wishes to maintain its prosperity, it must maintain its ideals.

When we turn to our foreign relations, we see the working out of the same laws. If there is one ideal of national existence to which America has adhered more consistently than to any other, it has been that of peace. Whatever other faults may be charged to our country, it has never been quarrelsome, belligerent, or bent on military aggrandisement. After all, the main support of peace is understanding. It is a matter of accurate information by one government and one people about other governments and other peoples. There is likewise involved the same law of service.

If our country is to stand for anything in the world, if it is to represent any forward movement in human progress, these achievements will be measured in no small degree by what it is able to do for others. Up to a little more than twenty-five years ago, America gave almost its entire attention to self-development. In that it achieved an unequaled success. The service which it rendered to others was to a considerable degree one of example. It revealed the ability of the people to take charge of their own affairs. It demonstrated the soundness and strength of self-government under free institutions, while affording a refuge for the oppressed of other lands. The great influence which the mere existence of American institutions exercised upon the rest of the world would be difficult to overestimate. At the end of a long period of steady accomplishments of this nature came the war with Spain, which left our country a world power with world responsibilities. It is not too much to say that in meeting and bringing to a successful conclusion that conflict our country performed a world service.

This was followed by a period of most remarkable industrial development. There were great consolidations of properties, enormous investments of capital, and a stupendous increase of production, all accompanied by a growth of population reaching many millions. This was our condition at the outbreak of the World War. For a long time we sought to avoid this conflict, on the assumption that it did not concern us. On that subject we were lacking in accurate information. We found, at last, that while it was also the grave concern of others, it did concern us intimately and perilously. We took our part in the war at length, in the defense of free institutions. We believe, while acknowledging that we were only one of the contributing elements, that our participation was a decisive factor. The result was a demonstration of the strength of self-governing peoples, and a victory for free institutions. Our action at this time was distinctly a world service. America made its sacrifice for what it believed was the cause of righteousness.

The sacrifices made on these occasions, which resulted in a benefit to others, resulted likewise in a benefit to ourselves. Even the evil effects which always arise from war and its aftermath have only tempered, not obliterated, these results. A flow of material resources set in toward our country, which is still going on. The general standards of living were raised. In the resulting plenty many of the old hardships of existence were removed. Our country came into a position where it had a greatly increased opportunity for world leadership. In moral power it took a higher rank.

There can be little doubt that our presence at the treaty table softened the terms and diminished the exactions of the victorious nations, where joint covenants of defensive alliance were in part substituted for the usual territorial transfers. Our country refused to adhere to the covenant of the League of Nations with a decisive rejection which I regard as final. Following this came a continuing effort to collect reparations, which the economic chaos of Germany after a time caused to be suspended. This resulted in the French seizure of the Ruhr, with Allied conferences, plans and discussions for renewing payment of reparations under some settled method of permanent adjustment. Although indirectly interested by reason of our commerce, and more especially because of the debts due to us, in having a European settlement, our Government felt that the fundamental questions involved in all these discussions were the direct political concern of Europe. Our policy relative to the debts due to us from European countries was well known, and we refused to submit them to these discussions. This never meant that America was not willing to lend its assistance to the solution of the European problem in any way that did not involve us in their purely political controversies, whenever opportunity presented a plan that promised to be just and effective. But we realized that all effort was useless until all parties came to a state of mind where they saw the need to make concessions and accept friendly counsel.

In December of the year of 1922 our Secretary of State, Mr. Hughes, set out the American proposal in an address which he delivered at New Haven. That proposal has now become historic. He recognized that settlement of the reparations question was probably impossible if approached after the method of a political problem. It was not so much a question to be dealt with by public officers or diplomatic agencies, which must necessarily reflect to a very marked degree the political state of mind of the various countries, but was represented as one which could be solved by the application of pure business talent and experienced private enterprise. To such an effort of business men, unhampered by every unnecessary political consideration, Mr. Hughes expressed the belief that competent American citizens in private life would be ready to lend their assistance. This position was consistently maintained. Its correctness was finally demonstrated when Mr. Dawes, Mr. Young and Mr. Robinson were invited by the Reparations Commission for that purpose, and consented to serve.

The finding of the experts, which is known as the Dawes Report, has recently been made and published. It shows a great deal of research and investigation, and a broad comprehension of the requirements of the situation. It has been favorably received by the Reparations Commission. It is gratifying to understand that the Allies are looking upon it with full sympathy, and Germany has expressed a willingness to cooperate in the execution of the plan. There appears to be every reason to hope that the report offers a basis for a practical solution of the reparations problem. I trust that it may commend itself to all the European Governments interested as a method by which, through mutual concessions, they can arrive at a stable adjustment of the intricate and vexatious problem of reparations, and that such an outcome will provide for the restoration of Germany and the largest possible payments to the other countries.

If this result is secured, the credit which will be due to the Secretary of State, Mr. Hughes, to President Harding for adopting it and supporting it, and to the three Americans and their assistants, by whose wisdom and discretion it was formulated and rendered so acceptable, will be sufficient to warrant the lasting approbation of two continents. A situation at once both intricate and difficult has been met in a most masterful way. Our countrymen are justified in looking at the result with great pride. Nothing of more importance to Europe has occurred since the Armistice.

Part of the plan contemplates that a considerable loan should at once be made to Germany for immediate pressing needs, including the financing of a bank. I trust that private American capital will be willing to participate in advancing this loan. Sound business reasons exist why we should participate in the financing of works of peace in Europe, though we have repeatedly asserted that we were not in favor of advancing funds for any military purpose. It would benefit our trade and commerce, and we especially hope that it will provide a larger market for our agricultural production. It is notorious that foreign gold has been flowing into our country in great abundance. It is altogether probable that some of it can be used more to our financial advantage in Europe than it can be in the United States. Besides this, there is the humanitarian requirement, which carries such a strong appeal, and the knowledge that out of our abundance it is our duty to help where help will be used for meeting just requirements and the promotion of a peaceful purpose. We have determined to maintain, and can maintain, our own political independence, but our economic independence will be strengthened and increased when the economic stability of Europe is restored.

We hope further that such a condition will be the beginning of a secure and enduring peace. Certainly it would remove many of the present sources of disagreement and misunderstanding among the European nations. When this adjustment is finally made, and has had sufficient time of operation to become a settled European policy, it would lay the foundation for a further effort at disarmament in accordance with the theory of the Washington Conference. Although that gathering was able to limit capital battleships, it had to leave the question of submarines, air craft, and land forces unsolved. The main reason for this was the unsettled and almost threatening condition that still existed in Europe. A final adjustment for the liquidation of reparations ought to be the beginning of a new era of peace and good will.

In the event that such a condition develops, it becomes pertinent to examine what can be done by our own country, in cooperation with others, further to rid ourselves and the rest of the world of the menace and burden of competitive armaments and more effectively insure the settlement of differences between nations, not by a recourse to arms, but by a recourse to reason; not by action leading to war, but by action leading to justice. Our past experience should warn us not to be overconfident in the face of so many failures, but it also justifies the hope that something may be done where already there has been some success, and at least we can demonstrate that we have done all that we can.

As a result of American initiative there is already in existence the Hague Tribunal which is equipped to function wherever arbitration seems desirable, and based in part on that, and in part on the League, there is the International Court of Justice, which is already functioning. A proposal was sent to the last Senate by President Harding for our adherence to the covenant establishing this court, which I submitted to the favorable consideration of the present Senate in my annual message. Other plans for a World Court have been broached, but up to the present time this has seemed to me the most practical one. But these proposals for arbitration and courts are not put forward by those who are well informed with the idea that they could be relied upon as an adequate means for entirely preventing war. They are rather a method of securing adjustment of claims and differences, and for the enforcement of treaties, when the usual channels of diplomatic negotiation fail to resolve the difficulty.

Proposals have also been made for the codification of international law. Undoubtedly something might be accomplished in this direction, although a very large body of such law consists in undertaking to establish rules of warfare and determining the rights of neutrals. One of the difficulties to be encountered would be the necessity of securing the consent of all the nations, but no doubt the agreement of the major Powers would go very far in producing that result.

I do not claim to be able to announce any formula that will guarantee the peace of the world. There are certain definite things, however, that I believe can be done, which certainly ought to be tried, that might relieve the people of the earth of much of the burden of military armaments and diminish the probability of military operations. I believe that among these are frequent international conferences suited to particular needs. The Washington Conference did a great deal to restore harmony and good will among the nations. Another purpose of a conference is the further limitation of competitive armaments. Much remains to be accomplished in that direction. It would appear to be impractical to attempt action under present conditions, but with a certain and definite settlement of German reparations firmly established, I should favor the calling of a similar conference to achieve such limitations of armaments and initiate plans for a codification of international law, should preliminary inquiries disclose that such a proposal would meet with a sympathetic response. But the main hope of success lies in first securing a composed state of the public mind in Europe.

It is my firm belief that America is in a position to take the lead in this direction. It is undoubtedly too much to suppose that we hold very much of the affectionate regard of other nations. At the same time we do hold their respect. Our position is such that we are trusted and our business institutions and Government considered to be worthy of confidence. If there is disappointment in some directions that we do not enter alliances with them, it is more than overbalanced by the knowledge that there is no danger that we shall enter alliances against them. It must be known to every people that we are seeking no acquisition of territory, and maintaining no military establishment with unfriendly and hostile intent. Like our political institutions, all of this is a powerful example throughout the world. Very many of the nations have been the recipients of our favor, and have had the advantage of our help in some time of extremity. We have no traditional enemies. We have come to a position of great power and great responsibility.

Our first duty is to ourselves. American standards must be maintained, American institutions must be preserved. The freedom of the people politically, economically, intellectually, morally and spiritually, must continue to be advanced. This is not a matter of a day or a year. It may be of generations, it may be of an era. It is for us here and now to keep in the right direction, to remain constant to the right ideals. We need a faith that is broad enough to let the people make their own mistakes. Let them come unto knowledge and understanding by their own experience. Little progress can be made by merely attempting to repress what is evil, our great hope lies in developing what is good.

One newspaper is better than many criminal laws. One schoolmaster is better than a legion of bailiffs. One clergyman is better than an army with banners. These are our guarantees of internal peace and progress.

On what nations are at home depends what they will be abroad. If the spirit of freedom rules in their domestic affairs, it will rule in their foreign affairs. The world knows that we do not seek to rule by force of arms, our strength is in our moral power. We increase the desire for peace everywhere by being peaceful. We maintain a military force for our defense, but our offensive lies in the justice of our cause. We are against war because it is destructive. We are for peace because it is constructive. We seek concord with all nations through mutual understanding. We believe in treaties and covenants and international law as a permanent record for a reliable determination of action. All these are evidences of a right intention. But something more than these is required to maintain the peace of the world. In its final determination it must come from the heart of the people. Unless it abide there, we can not build for it any artificial lodging place. If the will of the world be evil, there is no artifice by which we can protect the nations from evil results. Governments can do much for the betterment of the world. They are the instruments through which humanity acts in international relations. Because they can not do everything, they must not neglect to do what they can. But the final establishment of peace, the complete maintenance of good will toward men, will be found only in the righteousness of the people of the earth. Wars will cease when they will that they shall cease. Peace will reign when they will that it shall reign.

VETO MESSAGE

[Pension Increase Bill.]

THE WHITE HOUSE, *May 3, 1924.*

TO THE SENATE:

I am returning herewith Senate bill 5, "An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil and Mexican Wars, and to certain widows, former widows, minor children, and helpless children of said soldiers and sailors, and to widows of the War of 1812, and to certain Indian war veterans and widows, and to certain Spanish War soldiers, and certain maimed soldiers, and for other purposes," without my approval.

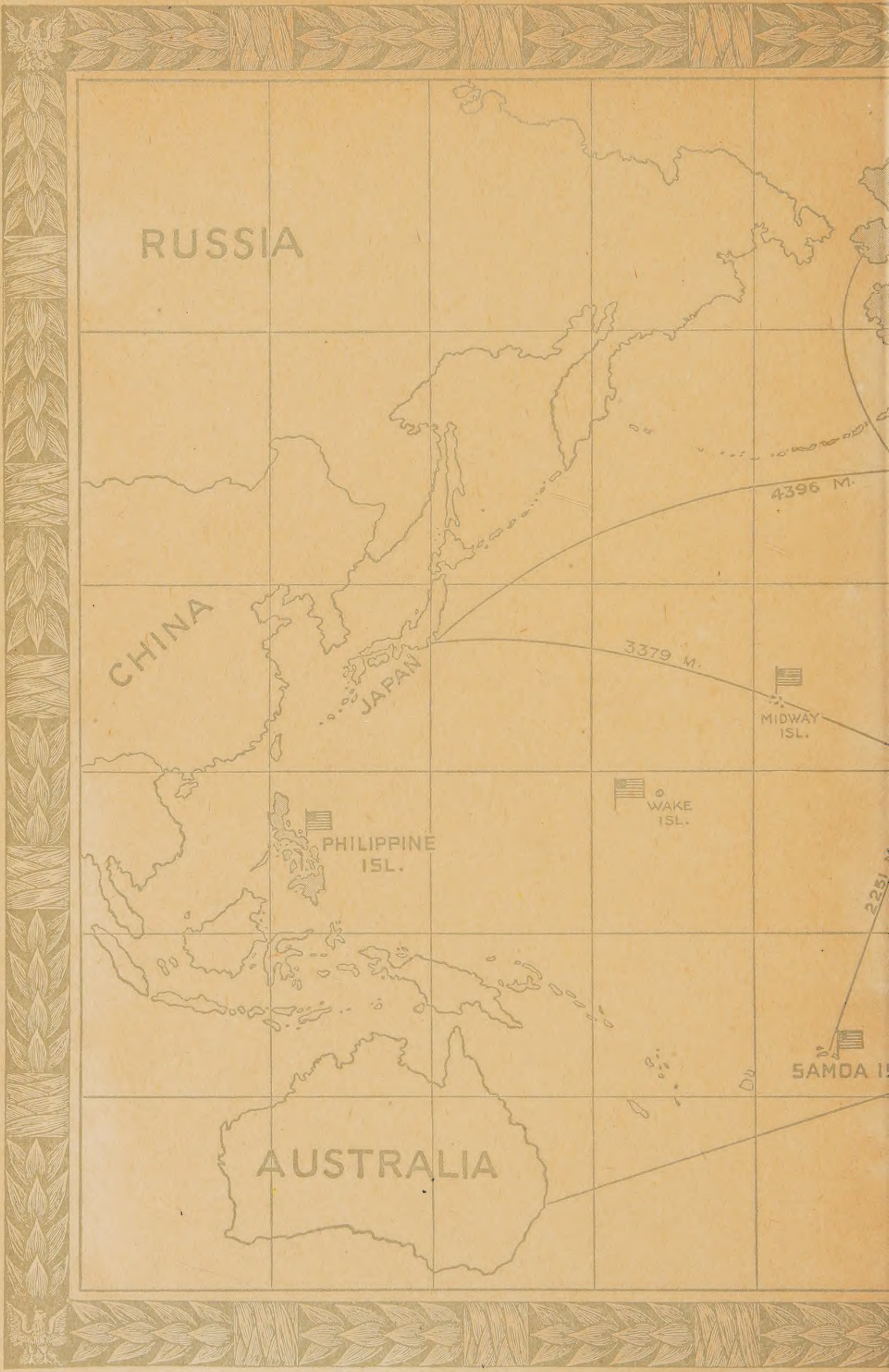
For the next fiscal year the effect of this act will be to take an additional $58,000,000 of the moneys paid by the taxpayers of the nation and add it to the pension checks of the veterans of the wars from 1812 to 1902 and their widows and dependents. This is the effect for the first year; but the burden upon the taxpayers will continue for many years to come. While impossible of accurate estimation, the Commissioner of Pensions states that the proposed addition to the pension roll will total approximately $242,000,000 for the first five years and $415,000,000 for the first ten years.

No conditions exist which justify the imposition of this additional burden upon the taxpayers of the nation. All our pensions were revised and many liberal increases made no longer ago than 1920. Every survivor of the Civil War draws $50 per month, and those in need of regular aid and attendance, which already includes 41,000 of them, draw $72 per month. As others come to need this the law already gives it to them. The act also proposes to extend the limits of the war period from April 13, 1865, to August 20, 1866, so that those who enlisted during this year and four months of peace now become eligible for the same treatment as those who fought through the war. There are other questionable provisions providing for the pensioning of civilians and relating to the pensioning of certain classes of widows.

But the main objection to the whole bill is the unwarranted expenditure of the money of the taxpayers. It proposes to add more than 25 per cent to the cost of the pension roll. It is estimated that it would bring the total pension bill of the country to a point higher than ever before reached, notwithstanding it is now nearly 60 years since the close of the Civil War. A generous nation increased its pensions to well over a quarter of a billion annually, and has already bestowed nearly $6,250,000,000 in pensions upon the survivors of that conflict and their dependents. While there has been some decrease in the annual expense, it is now proposed by a horizontal increase to pay all survivors $72 each month, without regard to age, to their physical condition, or financial condition. With the other proposals a new high record of cost would be established.

The need for economy in public expenditure at the present time can not be overestimated. I am for economy. I am against every unnecessary payment of the money of the taxpayers. No public requirement at the present time ranks with the necessity for the reduction of taxation. This result can not be secured unless those in authority cease to pass laws which increase the permanent cost of government. The burden on the taxpayers must not be increased; it must be decreased. Every proposal for legislation must be considered in the light of this necessity. The cost of commodities is diminishing. Under such conditions the cost of government ought not to be increasing. The welfare of the whole country must be considered. The desire to do justice to pensioners, however great their merit, must be attended by some solicitude to do justice to taxpayers. The advantage of a class can not be greater than the welfare of the nation.

CALVIN COOLIDGE.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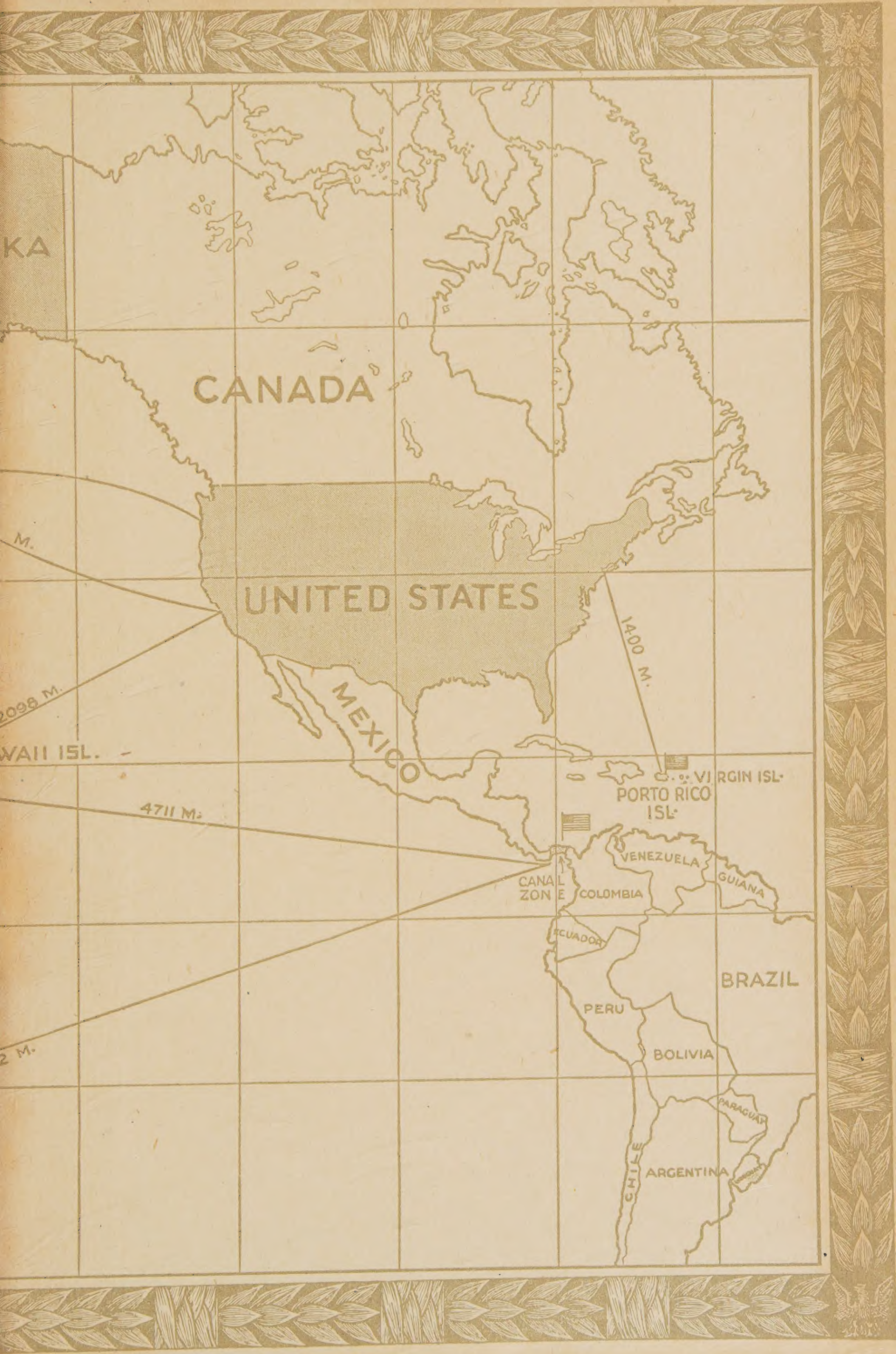
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